

# **FINANCIAL REPORT**

*Radio*

NATIONAL ASSOCIATION OF BROADCASTERS

# 1960



## INTRODUCTION

This report presents information on revenues, expenses, and profits in AM radio stations for the calendar year 1959. 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. Excluded from the results are non-commercial facilities, stations oper-

ating in Alaska, Hawaii, and the Territories of the United States, and stations which were not on the air throughout the entire 1959 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 except that the nationwide figures have been calculated by a revised method and should not be compared with those shown in previous reports. The trend material on pages 4 and 5 reflects this improved method. The rest of the report has been processed in the same manner as the past three years.

This report was prepared for the radio members of the NAB by the Department of Broadcast Personnel and Economics.

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## PART I NATIONWIDE SUMMARY

Part I 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. The nationwide figures in this section are not comparable with those published in previous surveys. They have been derived by an improved method which is more indicative of the overall industry. The trend figures presented in the charts on pages 4 and 5 all reflect this revised method of calculation.

### Highlights

- 1959 . . . found the typical radio station with about \$104,000 in total revenue . . . \$96,000 in total expense . . . and a profit margin of about 8¢ on every sales dollar. (See Table 1.)
- 1959 . . . 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. The typical radio station has followed this general pattern of time sales for the past two years.
- 1959 . . . the four general expense categories divided the expense dollar in almost the same manner as last year with 37¢ going for general and administrative, 34¢ for programming, 18¢ for selling, and 11¢ for technical. (See "pie" charts on page 4.)
- 1960 . . . broadcasters' estimates anticipate an increase in the typical station's total revenue of 3.2% over the '59 figure.

**TABLE 1—REVENUE AND EXPENSE FOR THE TYPICAL RADIO STATION, NATIONWIDE, 1959**

The typical PROFIT MARGIN was 7.7%

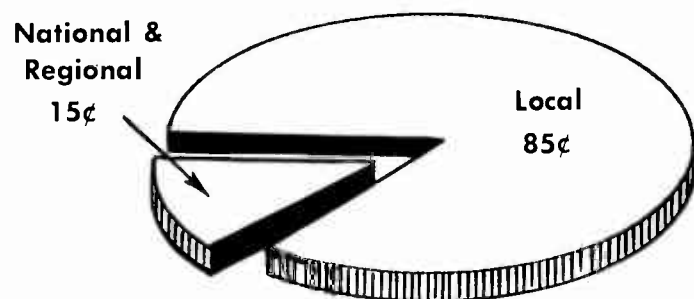
Revenue and Expense Items	Typical Dollar Figures	Typical Percent Figures
<b>TOTAL BROADCAST REVENUE <sup>a</sup></b>	\$ 104,000	
<b>TOTAL TIME SALES</b>	103,800	100.0%
From:		
Networks <sup>b</sup>	0	0.0
National & regional advertisers	15,400	14.8
Local advertisers	88,400	85.2
<b>TOTAL BROADCAST EXPENSE</b>	\$ 96,000	100.0%
From:		
Technical	10,500	10.9
Program	32,200	33.6
Selling <sup>c</sup>	17,600	18.3
General & administrative	35,700	37.2
<b>SELECTED EXPENSE ITEMS</b>		
Total salaries & wages (including supervision) and all talent expense	54,100	
Depreciation & amortization	5,300	
<b>PROFIT (before Federal income tax)</b>	\$ 8,000	

<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 \$1,300.

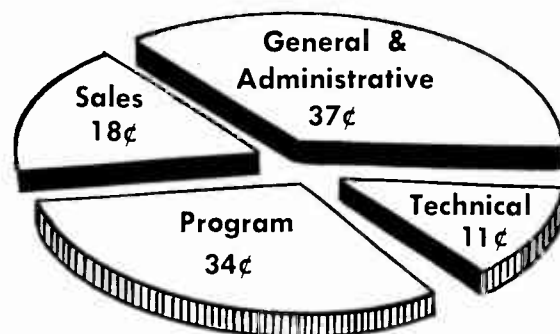
<sup>c</sup> Includes all promotion; excludes agency and rep. commissions.

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

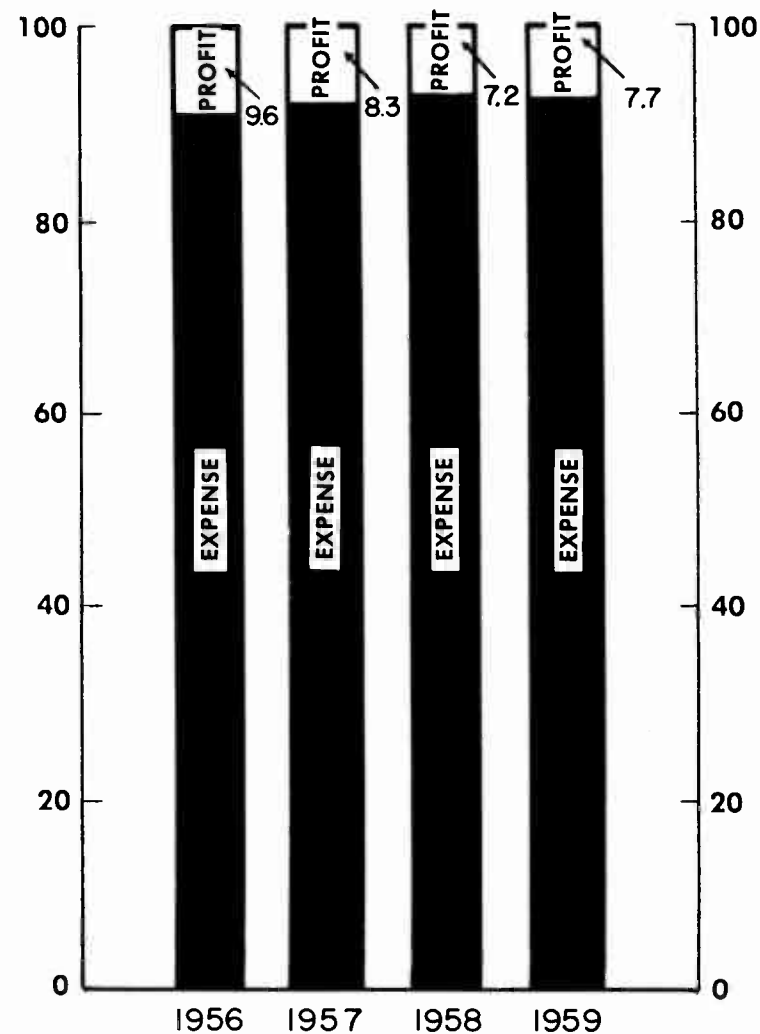


Network: less than 1¢

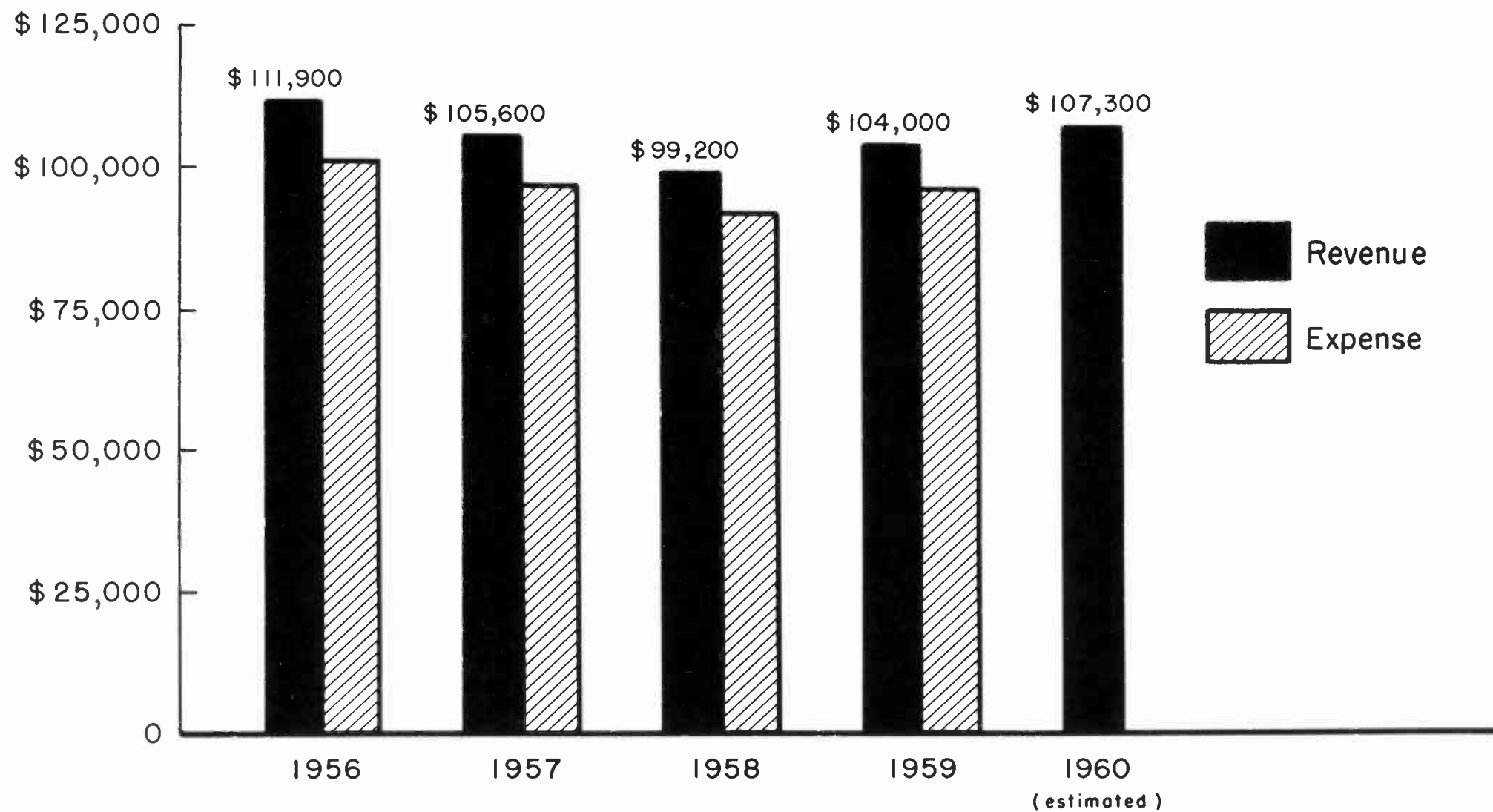
# WHERE DOES THE TYPICAL STATION'S EXPENSE DOLLAR GO?



# 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 1959.
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 1957 population figures in Sales Management's annual *Survey of Buying Power* (May 1957). If your city is located within a standard metropolitan 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 1959.

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 Sales Management do not reflect the real 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 1959 or only made a small profit, you might want to use the yardstick figures for profit-only stations as goals for 1960.

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  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>		27.8%	19.2%-34.6%		30.7%	21.9%-38.0%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$2,076,800		\$1,545,300-\$2,522,300	\$2,143,900		\$1,720,100-\$2,885,800	_____	
3. TOTAL TIME SALES	2,443,700	100.0%	1,682,700- 2,898,000	2,499,200	100.0%	1,918,400- 2,995,200	_____	100%
From:								
4. Networks <sup>c</sup>	17,100	.7	0- 53,400	17,500	.7	0- 55,300	_____	_____
5. National & regional advertisers	1,695,900	69.4	1,089,600- 2,589,600	1,759,400	70.4	1,093,100- 2,616,000	_____	_____
6. Local advertisers	730,100	29.9	484,900- 938,200	722,300	28.9	488,100- 1,085,500	_____	_____
7. TOTAL BROADCAST EXPENSE	\$1,349,600	100.0%	\$1,197,500-\$1,814,400	\$1,349,600	100.0%	\$1,197,900-\$1,768,100	_____	100%
From:								
8. Technical	225,400	16.7	190,600- 307,400	217,300	16.1	186,600- 277,700	_____	_____
9. Program	498,000	36.9	438,300- 798,000	498,000	36.9	438,800- 767,700	_____	_____
10. Selling <sup>d</sup>	274,000	20.3	224,700- 364,400	283,400	21.0	228,300- 367,100	_____	_____
11. General & administrative	352,200	26.1	252,100- 491,000	350,900	26.0	275,400- 526,900	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	822,900		684,500- 1,026,700	822,900		681,500- 1,020,100	_____	
13. Depreciation & Amortization	35,000		17,000- 45,600	28,600		15,800- 44,500	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 652,900		\$ 350,800-\$ 906,300	\$ 695,600		\$ 371,700-\$ 910,000	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$38,300 with a middle 50% range of \$17,400-\$56,800; the respective figures for the "profit-only" stations were \$38,300 and \$20,900-\$60,300.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

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>		12.4%	3.7%-19.3%		14.5%	9.2%-19.6%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 189,200		\$ 150,800-\$ 280,600	\$ 240,500		\$ 159,300-\$ 301,100	_____	
3. TOTAL TIME SALES	194,300	100.0%	154,000- 269,300	237,500	100.0%	164,500- 289,100	_____	100%
From:								
4. Networks <sup>c</sup>	0	0.0	0- 0	0	0.0	0- 0	_____	_____
5. National & regional advertisers	23,500	12.1	8,600- 57,500	26,400	11.1	8,400- 57,800	_____	_____
6. Local advertisers	170,800	87.9	119,500- 247,900	211,100	88.9	137,300- 261,000	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 172,200	100.0%	\$ 130,000-\$ 239,600	\$ 212,400	100.0%	\$ 139,700-\$ 246,300	_____	100%
From:								
8. Technical	19,300	11.2	14,400- 39,400	24,400	11.5	15,500- 42,400	_____	_____
9. Program	47,900	27.8	36,400- 70,500	60,300	28.4	42,600- 79,400	_____	_____
10. Selling <sup>d</sup>	32,700	19.0	20,400- 50,000	42,500	20.0	27,100- 52,100	_____	_____
11. General & administrative	72,300	42.0	54,000- 88,600	85,200	40.1	59,700- 99,700	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	103,200		80,400- 144,600	116,600		83,600- 146,700	_____	
13. Depreciation & Amortization	9,200		5,100- 13,000	9,200		5,100- 13,000	_____	
14. PROFIT <sup>f</sup> (before Federal income tax)	\$ 26,700		\$ 5,800-\$ 45,200	\$ 38,100		\$ 21,500-\$ 51,800	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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> There were no nationwide network affiliated stations in this group.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

**TABLE 4. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 2 (1-2.5 million 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>		9.1%	(-1.6% loss)-17.1%		15.2%	8.0%-22.0%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 540,500		\$ 182,800-\$ 851,900	\$ 682,000		\$ 490,800-\$ 941,800	_____	
3. TOTAL TIME SALES	618,000	100.0%	185,100- 963,300	780,700	100.0%	544,100- 1,077,800	_____	100%
From:								
4. Networks <sup>c</sup>	0	0.0	0- 7,100	1,600	.2	0- 7,200	_____	_____
5. National & regional advertisers	302,200	48.9	35,400- 552,900	420,800	53.9	180,800- 663,600	_____	_____
6. Local advertisers	315,800	51.1	137,800- 447,100	358,300	45.9	193,600- 498,200	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 453,800	100.0%	\$ 178,600-\$ 672,200	\$ 566,600	100.0%	\$ 412,400-\$ 756,300	_____	100%
From:								
8. Technical	60,800	13.4	20,900- 124,300	99,200	17.5	36,000- 131,500	_____	_____
9. Program	153,800	33.9	50,200- 226,900	198,300	35.0	117,400- 262,000	_____	_____
10. Selling <sup>d</sup>	102,100	22.5	34,800- 141,200	116,100	20.5	83,100- 141,300	_____	_____
11. General & administrative	137,100	30.2	67,300- 182,600	153,000	27.0	128,700- 238,500	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	251,700		101,700- 393,400	312,000		202,400- 438,300	_____	
13. Depreciation & Amortization	13,000		4,800- 26,100	19,500		9,700- 30,400	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 49,400		(-\$2,900 loss)-\$ 160,300	\$ 114,300		\$ 43,900-\$ 233,100	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$9,700 with a middle 50% range of \$3,700-\$21,800; the respective figures for the "profit-only" stations were \$7,600 and \$3,700-\$33,200.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

**TABLE 5. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 3 (500,000-1 million 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>		7.6%	(-3.6% loss)-17.0%		10.6%	6.9%-19.8%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 340,000		\$ 196,600-\$ 509,400	\$ 382,000		\$ 238,800-\$ 533,500	_____	
3. TOTAL TIME SALES	354,400	100.0%	200,800- 578,700	399,900	100.0%	246,300- 594,100	_____	100%
From:								
4. Networks <sup>c</sup>	1,800	.5	0- 14,800	400	.1	0- 9,100	_____	_____
5. National & regional advertisers	136,100	38.4	38,500- 262,700	150,400	37.6	40,600- 326,800	_____	_____
6. Local advertisers	216,500	61.1	136,500- 272,800	249,100	62.3	163,800- 285,400	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 330,500	100.0%	\$ 216,900-\$ 457,900	\$ 355,400	100.0%	\$ 218,600-\$ 499,100	_____	100%
From:								
8. Technical	44,000	13.3	20,700- 65,600	46,600	13.1	22,400- 65,500	_____	_____
9. Program	111,700	33.8	51,700- 145,700	122,200	34.4	60,700- 146,700	_____	_____
10. Selling <sup>d</sup>	68,700	20.8	39,500- 91,800	71,100	20.0	42,800- 100,800	_____	_____
11. General & administrative	106,100	32.1	62,100- 156,800	115,500	32.5	59,300- 155,700	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	188,200		111,700- 257,400	198,600		110,900- 267,100	_____	_____
13. Depreciation & Amortization	12,100		5,800- 22,200	11,400		6,000- 21,100	_____	_____
14. PROFIT <sup>f</sup> (before Federal income tax)	\$ 20,900		(-\$5,000 loss)-\$ 57,700	\$ 38,100		\$ 20,300-\$ 74,400	_____	_____

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$13,100 with a middle 50% range of \$2,400-\$27,100; the respective figures for the "profit-only" stations were \$9,100 and \$1,700-\$30,200.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

REVENUE AND EXPENSE ITEMS  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>	5.7% (-1.4% loss)-15.3%			10.4% 5.4%-16.4%			_____ %	
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 180,700		\$ 130,800-\$ 287,400	\$ 198,000		\$ 148,700-\$ 307,700	_____	
3. TOTAL TIME SALES	188,200	100.0%	132,600- 304,600	200,900	100.0%	145,300- 329,400	_____	100%
From:								
4. Networks <sup>c</sup>	800	.4	0- 3,600	400	.2	0- 3,400	_____	_____
5. National & regional advertisers	44,600	23.7	18,200- 110,900	47,200	23.5	22,000- 131,000	_____	_____
6. Local advertisers	142,800	75.9	93,500- 172,800	153,300	76.3	103,800- 209,000	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 182,700	100.0%	\$ 124,800-\$ 254,400	\$ 188,700	100.0%	\$ 129,800-\$ 270,100	_____	100%
From:								
8. Technical	23,000	12.6	10,900- 38,900	21,000	11.1	11,300- 41,200	_____	_____
9. Program	55,500	30.4	34,600- 81,700	56,200	29.8	36,900- 82,100	_____	_____
10. Selling <sup>d</sup>	39,700	21.7	21,500- 52,500	43,600	23.1	23,400- 53,300	_____	_____
11. General & administrative	64,500	35.3	43,000- 90,400	67,900	36.0	43,500- 89,900	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	109,300		65,200- 154,000	111,500		68,500- 161,000	_____	
13. Depreciation & Amortization	8,600		4,700- 16,100	8,600		4,900- 14,800	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 9,200	(-\$2,000 loss)-\$ 34,000		\$ 18,000	\$ 7,100-\$ 42,100		_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$3,200 with a middle 50% range of \$1,100-\$8,800; the respective figures for the "profit-only" stations were \$2,900 and \$700-\$7,500.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

REVENUE AND EXPENSE ITEMS  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>		4.0%	(-4.5% loss)-12.1%		9.2%	4.4%-15.8%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 149,700		\$ 107,600-\$ 197,200	\$ 167,300		\$ 122,200-\$ 221,800	_____	
3. TOTAL TIME SALES	150,800	100.0%	107,800- 207,500	168,100	100.0%	120,600- 225,900	_____	100%
From:								
4. Networks <sup>c</sup>	400	.3	0- 2,600	500	.3	0- 2,400	_____	_____
5. National & regional advertisers	33,800	22.4	13,000- 62,400	37,300	22.2	14,800- 75,700	_____	_____
6. Local advertisers	116,600	77.3	77,400- 145,500	130,300	77.5	91,500- 157,200	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 146,000	100.0%	\$ 100,700-\$ 195,500	\$ 148,000	100.0%	\$ 111,000-\$ 202,100	_____	100%
From:								
8. Technical	17,200	11.8	9,600- 28,800	17,300	11.7	10,600- 30,300	_____	_____
9. Program	46,700	32.0	25,900- 60,500	47,500	32.1	28,900- 66,900	_____	_____
10. Selling <sup>d</sup>	27,500	18.8	16,600- 38,500	28,600	19.3	17,900- 43,000	_____	_____
11. General & administrative	54,600	37.4	35,800- 69,900	54,600	36.9	37,900- 68,900	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	80,000		55,900- 115,300	85,000		65,100- 120,200	_____	
13. Depreciation & Amortization	7,900		4,600- 14,800	7,000		4,400- 12,600	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 5,300		(-\$5,000 loss)-\$ 17,900	\$ 14,300		\$ 6,000-\$ 29,600	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$800-\$5,000; the respective figures for the "profit-only" stations were \$1,600 and \$700-\$4,400.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.



**TABLE 8. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 6 (50,000-100,000 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>		5.4% (-1.1% loss)-15.4%			14.4%	5.0%-19.2%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 128,200		\$ 93,200-\$ 160,800	\$ 142,400		\$ 109,800-\$ 173,700	_____	
3. TOTAL TIME SALES	123,900	100.0%	93,000- 164,700	135,000	100.0%	112,500- 172,700	_____	100%
From:								
4. Networks <sup>c</sup>	100	.1	0- 2,400	100	.1	0- 2,500	_____	_____
5. National & regional advertisers	21,200	17.1	11,200 36,800	19,700	14.6	12,000- 36,800	_____	_____
6. Local advertisers	102,600	82.8	73,600- 126,800	115,200	85.3	79,900- 149,900	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 116,400	100.0%	\$ 85,600-\$ 155,700	\$ 122,200	100.0%	\$ 94,200-\$ 155,600	_____	100%
From:								
8. Technical	14,400	12.4	7,400- 19,900	15,300	12.5	8,100- 20,800	_____	_____
9. Program	36,800	31.6	27,900- 50,700	40,400	33.1	29,600- 51,100	_____	_____
10. Selling <sup>d</sup>	23,900	20.5	14,600- 34,800	24,300	19.9	13,400- 36,000	_____	_____
11. General & administrative	41,300	35.5	27,000- 57,800	42,200	34.5	30,100- 62,000	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	69,400		48,300- 93,600	78,200		56,700- 96,700	_____	
13. Depreciation & Amortization	6,100		3,200- 8,800	5,700		3,300- 7,700	_____	
14. PROFIT <sup>f</sup> (before Federal income tax)	\$ 7,100		(-\$800 loss)-\$ 24,100	\$ 17,200		\$ 5,100-\$ 28,200	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$1,900 with a middle 50% range of \$200-\$3,500; the respective figures for the "profit-only" stations were \$2,200 and \$500-\$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.

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.



**TABLE 9. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 7 (25,000-50,000 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>		7.4%	(-1.5% loss)-16.8%		11.3%	5.9%-19.1%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 104,900		\$ 74,800-\$ 138,600	\$ 111,700		\$ 86,200-\$ 147,900	_____	
3. TOTAL TIME SALES	104,900	100.0%	74,600- 137,800	108,900	100.0%	85,200- 146,300	_____	100%
From:								
4. Networks <sup>c</sup>	0	0.0	0- 1,500	0	0.0	0- 600	_____	_____
5. National & regional advertisers	16,600	15.3	6,400- 22,800	15,800	14.5	7,300- 23,000	_____	_____
6. Local advertisers	88,900	84.7	66,100- 117,800	93,100	85.5	71,600- 127,400	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 97,800	100.0%	\$ 72,300- 124,200	\$ 98,800	100.0%	\$ 78,300-\$ 128,900	_____	100%
From:								
8. Technical	10,700	11.0	6,100- 16,400	10,500	10.6	5,900 15,600	_____	_____
9. Program	33,000	33.7	22,200- 41,200	33,100	33.5	23,800- 42,000	_____	_____
10. Selling <sup>d</sup>	18,000	18.4	11,400- 23,800	18,300	18.5	11,200- 28,700	_____	_____
11. General & administrative	36,100	36.9	25,800- 48,900	36,900	37.4	30,600- 48,700	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	54,700		40,900- 72,300	59,000		44,600- 78,100	_____	
13. Depreciation & Amortization	5,400		3,300- 9,300	5,100		3,300- 7,500	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 7,500		(-\$1,000 loss)-\$ 18,900	\$ 15,100		\$ 6,200-\$ 23,500	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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-\$2,200; 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.

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

**TABLE 10. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 8 (10,000-25,000 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>		8.8%	1.4%-17.4%		11.9%	6.9%-19.5%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 96,300		\$ 72,500-\$ 126,000	\$ 97,700		\$ 75,200-\$ 131,000	_____	
3. TOTAL TIME SALES	95,200	100.0%	72,100- 126,900	99,200	100.0%	74,300- 129,100	_____	100%
From:								
4. Networks <sup>c</sup>	0	0.0	0- 1,400	0	0.0	0- 1,100	_____	
5. National & regional advertisers	10,900	11.4	5,100- 20,200	10,700	10.8	5,700- 19,500	_____	
6. Local advertisers	84,300	88.5	62,100- 107,900	88,500	89.2	64,000 110,600	_____	
7. TOTAL BROADCAST EXPENSE	\$ 84,500	100.0%	\$ 64,900-\$ 116,900	\$ 83,000	100.0%	\$ 64,900-\$ 115,700	_____	100%
From:								
8. Technical	9,100	10.8	5,900- 15,000	8,800	10.6	5,900- 14,500	_____	
9. Program	27,100	32.0	18,700- 35,000	27,200	32.8	20,000- 35,000	_____	
10. Selling <sup>d</sup>	14,500	17.2	9,200- 22,600	14,000	16.8	8,800- 22,100	_____	
11. General & administrative	33,800	40.0	23,400- 48,600	33,000	39.8	22,900- 48,800	_____	
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	49,000		34,800- 67,300	49,000		35,100 69,300	_____	
13. Depreciation & Amortization	4,300		2,500- 7,100	3,900		2,400- 6,700	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 8,200		\$ 800-\$ 17,700	\$ 11,800		\$ 6,300-\$ 19,600	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$1,100 with a middle 50% range of \$0-\$3,600; the respective figures for the "profit-only" stations were \$900 and \$0-\$3,100.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

**TABLE 11. REVENUE AND EXPENSE YARDSTICKS, MARKET SIZE 9 (less than 10,000 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>		7.7%	1.3%-17.2%			10.9%	5.4%-18.6%			____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 60,500		\$ 45,600-	\$ 78,300	\$ 62,300		\$ 46,600-	\$ 82,400	_____	
3. TOTAL TIME SALES	61,000	100.0%	46,300-	77,900	62,100	100.0%	47,900-	80,800	_____	100%
From:										
4. Networks <sup>c</sup>	0	0.0	0-	0	0	0.0	0-	0	_____	_____
5. National & regional advertisers	4,500	7.3	1,500-	7,700	4,800	7.6	1,700-	8,400	_____	_____
6. Local advertisers	56,500	92.7	41,200-	70,100	57,300	92.4	43,500	72,800	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 56,100	100.0%	\$ 42,100-	\$ 67,800	\$ 55,700	100.0%	\$ 42,300-	\$ 68,400	_____	100%
From:										
8. Technical	6,500	11.5	4,300-	9,100	6,200	11.1	4,200-	9,100	_____	_____
9. Program	18,200	32.4	11,200	22,900	18,200	32.6	11,100-	23,000	_____	_____
10. Selling <sup>d</sup>	8,400	15.0	5,100	11,700	8,300	15.0	5,200-	11,800	_____	_____
11. General & administrative	23,000	41.1	14,500-	29,400	23,000	41.3	14,100-	29,100	_____	_____
SELECTED EXPENSE ITEMS										
12. Total Salaries <sup>e</sup>	30,400		22,900-	40,800	30,400		22,100-	40,800	_____	
13. Depreciation & Amortization	3,400		2,500-	4,800	33,600		24,400-	46,700	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 4,800		\$ 700-	\$ 10,700	\$ 6,800		\$ 3,400-	\$ 12,400	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$100 with a middle 50% range of \$0-\$1,100; the respective figures for the "profit-only" stations were \$200 and \$0-\$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.

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

REVENUE AND EXPENSE ITEMS  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>		25.1%	16.7%-34.7%		26.8%	17.5%-34.9%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$1,385,400		\$ 948,100-\$2,029,600	\$1,402,100		\$ 946,100-\$2,043,900		
3. TOTAL TIME SALES	1,541,800	100.0%	1,080,800- 2,314,400	1,541,800	100.0%	1,074,800- 2,402,800		100%
From:								
4. Networks <sup>c</sup>	9,200	0.6	0- 55,100	7,700	0.5	0- 56,800		
5. National & regional advertisers	1,031,500	66.9	691,600- 1,216,700	1,026,800	66.6	691,400- 1,229,400		
6. Local advertisers	501,100	32.5	334,900- 583,800	507,300	32.9	336,300- 589,100		
7. TOTAL BROADCAST EXPENSE	\$1,142,500	100.0%	\$ 740,200-\$1,349,600	\$1,142,500	100.0%	\$ 729,500-\$1,331,900		100%
From:								
8. Technical	190,800	16.7	121,700- 240,200	182,800	16.0	118,800- 231,200		
9. Program	429,600	37.6	247,800- 529,500	419,300	36.7	237,300- 523,300		
10. Selling <sup>d</sup>	218,200	19.1	126,000- 276,700	226,200	19.8	125,700- 279,900		
11. General & administrative	303,900	26.6	213,900- 383,900	314,200	27.5	212,000- 381,500		
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	657,200		413,500 824,900	631,800		407,600- 824,000		
13. Depreciation & Amortization	30,200		16,600- 44,400	29,700		16,100- 41,500		
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 332,700		\$ 179,700-\$ 625,600	\$ 353,200		\$ 226,100-\$ 628,600		

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$30,200 with a middle 50% range of \$8,000-\$59,700; the respective figures for the "profit-only" stations were \$30,200 and \$7,600-\$60,300.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

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>		12.2%	6.6%-20.0%		14.5%	9.2%-20.9%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 579,000		\$ 546,100-\$ 639,800	\$ 578,000		\$ 553,700-\$ 643,500	_____	
3. TOTAL TIME SALES	643,500	100.0%	600,400- 732,000	643,600	100.0%	602,500- 738,600	_____	100%
From:								
4. Networks <sup>c</sup>	3,200	0.5	0- 21,400	1,900	0.3	0- 8,700	_____	_____
5. National & regional advertisers	330,800	51.4	238,400- 401,200	333,400	51.8	256,000- 391,300	_____	_____
6. Local advertisers	309,500	48.1	254,800- 393,300	308,300	47.9	271,400- 397,800	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 516,200	100.0%	\$ 454,900-\$ 556,600	\$ 497,700	100.0%	\$ 451,500-\$ 535,900	_____	100%
From:								
8. Technical	76,400	14.8	49,800- 124,300	68,200	13.7	44,500- 102,400	_____	_____
9. Program	165,200	32.0	127,700- 189,500	158,300	31.8	126,500- 170,400	_____	_____
10. Selling <sup>d</sup>	108,400	21.0	84,100- 131,000	111,500	22.4	76,900- 130,000	_____	_____
11. General & administrative	166,200	32.2	132,500- 182,600	159,700	32.1	132,000- 180,000	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	284,900		228,200- 323,700	277,100		218,300 309,300	_____	
13. Depreciation & Amortization	20,600		14,400- 33,700	20,100		14,100 28,000	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 72,700		\$ 38,100-\$ 114,300	\$ 87,200		\$ 55,500-\$ 125,500	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$10,900 with a middle 50% range of \$3,800-\$31,000; the respective figures for the "profit-only" stations were \$9,100 and \$3,600-\$30,200.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

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>		10.9%	2.7%-16.9%		13.0%	8.0%-19.3%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 361,100		\$ 316,500-\$ 417,100	\$ 370,600		\$ 316,300-\$ 433,800	_____	
3. TOTAL TIME SALES	378,200	100.0%	345,100- 446,000	378,600	100.0%	346,000- 452,800	_____	100%
From:								
4. Networks <sup>c</sup>	2,300	0.6	0- 9,500	1,100	0.3	0- 4,100	_____	_____
5. National & regional advertisers	144,100	38.1	83,600- 213,800	149,900	39.6	83,100- 227,300	_____	_____
6. Local advertisers	231,800	61.3	182,900- 256,400	227,600	60.1	185,900 259,200	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 336,100	100.0%	\$ 283,800-\$ 381,700	\$ 316,400	100.0%	\$ 274,200-\$ 374,000	_____	100%
From:								
8. Technical	51,400	15.3	34,400- 65,800	47,100	14.9	28,600- 61,300	_____	_____
9. Program	107,200	31.9	85,300- 128,000	102,800	32.5	81,400- 120,500	_____	_____
10. Selling <sup>d</sup>	69,300	20.6	54,000- 87,800	64,600	20.4	52,500- 86,800	_____	_____
11. General & administrative	108,200	32.2	89,600- 125,800	101,900	32.2	86,500- 118,800	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	193,200		172,900- 233,500	187,700		166,300- 225,500	_____	
13. Depreciation & Amortization	14,800		9,300- 23,400	14,300		8,500- 21,400	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 40,500		\$ 10,200-\$ 66,300	\$ 50,200		\$ 30,100-\$ 67,800	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$5,200 with a middle 50% range of \$2,200-\$14,300; the respective figures for the "profit-only" stations were \$3,000 and \$1,400-\$9,400.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.



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

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>		9.4%	4.3%-16.6%		10.2%	6.8%-17.4%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 238,800		\$ 216,000-\$ 264,000	\$ 243,600		\$ 219,800-\$ 265,700	_____	
3. TOTAL TIME SALES	245,600	100.0%	223,100- 275,000	249,800	100.0%	223,600- 276,600	_____	100%
From:								
4. Networks <sup>c</sup>	500	0.2	0- 2,900	200	0.1	0- 2,900	_____	
5. National & regional advertisers	62,900	25.6	31,900- 95,300	61,000	24.4	31,500- 95,300	_____	
6. Local advertisers	182,200	74.2	145,200- 206,100	188,600	75.5	152,900- 210,500	_____	
7. TOTAL BROADCAST EXPENSE	\$ 218,600	100.0%	\$ 195,800-\$ 237,800	\$ 214,400	100.0%	\$ 194,200-\$ 231,900	_____	
From:								
8. Technical	26,700	12.2	18,900- 37,200	26,800	12.5	18,700- 36,800	_____	100%
9. Program	65,400	29.9	53,000- 75,500	63,900	29.8	52,300- 71,800	_____	
10. Selling <sup>d</sup>	45,200	20.7	35,900- 52,900	44,600	20.8	33,600- 52,300	_____	
11. General & administrative	81,300	37.2	65,800- 96,000	79,100	36.9	63,900- 91,100	_____	
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	127,000		112,100- 141,500	127,000		112,100- 141,500	_____	
13. Depreciation & Amortization	10,100		6,900- 16,500	10,000		6,900- 15,200	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 24,700		\$ 8,900-\$ 42,200	\$ 26,700		\$ 14,300-\$ 44,400	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$1,900 with a middle 50% range of \$900-\$5,700; the respective figures for the "profit-only" stations were \$1,900 and \$800-\$5,300.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.



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

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>		5.3%	(-1.3% loss)-13.1%		8.9%	4.6%-15.9%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 173,100		\$ 158,500-\$ 184,500	\$ 173,800		\$ 158,900-\$ 184,300	_____	
3. TOTAL TIME SALES	173,900	100.0%	161,600- 191,600	172,900	100.0%	161,100- 189,800	_____	100%
From:								
4. Networks <sup>c</sup>	300	0.2	0- 2,500	0	0.0	0- 1,800	_____	_____
5. National & regional advertisers	34,100	19.6	20,800- 50,500	30,400	17.6	20,100- 43,300	_____	_____
6. Local advertisers	139,500	80.2	115,800- 151,400	142,500	82.4	125,400- 152,200	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 160,400	100.0%	\$ 146,200-\$ 177,800	\$ 152,400	100.0%	\$ 140,400-\$ 167,400	_____	100%
From:								
8. Technical	19,200	12.0	12,200- 27,100	17,100	11.2	11,500- 24,300	_____	_____
9. Program	48,600	30.3	40,900- 57,300	48,200	31.6	40,000- 52,300	_____	_____
10. Selling <sup>d</sup>	32,100	20.0	25,100- 39,300	30,900	20.3	24,900- 36,900	_____	_____
11. General & administrative	60,500	37.7	48,400- 75,200	56,200	36.9	45,200- 66,400	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	93,500		81,600- 108,300	90,400		79,600- 99,800	_____	
13. Depreciation & Amortization	8,100		5,400- 13,000	7,500		4,700- 10,900	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 9,100		(-\$2,000 loss)-\$ 22,600	\$ 15,400		\$ 8,100-\$ 26,800	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$2,000 with a middle 50% range of \$400-\$5,800; the respective figures for the "profit-only" stations were \$1,200 and \$300-\$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.

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

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>		8.1%	1.5%-13.5%		10.6%	6.2%-16.7%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 138,300		\$ 131,300-\$ 143,000	\$ 138,400		\$ 131,000-\$ 143,500	_____	
3. TOTAL TIME SALES	138,900	100.0%	130,500- 146,700	137,900	100.0%	129,700- 144,800	_____	100%
From:								
4. Networks <sup>c</sup>	100	0.1	0- 2,600	200	0.1	0- 2,700	_____	_____
5. National & regional advertisers	21,300	15.3	13,500- 33,600	20,800	15.1	13,600- 31,500	_____	_____
6. Local advertisers	117,500	84.6	100,500- 121,600	116,900	84.8	100,800- 121,200	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 126,000	100.0%	\$ 117,300-\$ 136,300	\$ 122,500	100.0%	\$ 115,900-\$ 129,600	_____	100%
From:								
8. Technical	14,400	11.4	9,000- 20,400	13,700	11.2	9,300- 19,000	_____	_____
9. Program	39,200	31.1	32,200- 44,500	38,500	31.4	30,900- 42,300	_____	_____
10. Selling <sup>d</sup>	21,400	17.0	17,600- 26,500	22,000	18.0	16,500- 25,900	_____	_____
11. General & administrative	51,000	40.5	40,600- 56,200	48,300	39.4	37,600- 54,000	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	74,000		64,200- 82,200	72,400		63,000- 80,000	_____	
13. Depreciation & Amortization	6,200		3,900- 9,400	5,500		3,800- 7,100	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 11,200		\$ 2,000-\$ 18,100	\$ 14,900		\$ 8,600-\$ 23,700	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$1,600 with a middle 50% range of \$400-\$4,000; the respective figures for the "profit-only" stations were \$1,500 and \$300-\$4,000.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

REVENUE AND EXPENSE ITEMS  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>		7.8%	(-1.3% loss)-16.5%		12.2%	6.7%-19.0%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 113,800		\$ 107,700-\$ 118,700	\$ 114,000		\$ 107,700-\$ 119,500		
3. TOTAL TIME SALES	113,000	100.0%	106,300- 121,100	111,700	100.0%	106,300- 121,100		100%
From:								
4. Networks <sup>c</sup>	0	0.0	0- 1,800	0	0.0	0- 1,000		
5. National & regional advertisers	17,200	15.2	7,200- 25,700	14,200	12.7	6,400- 22,300		
6. Local advertisers	95,800	84.8	83,900- 103,700	97,500	87.3	87,300- 105,200		
7. TOTAL BROADCAST EXPENSE	\$ 104,300	100.0%	\$ 94,100-\$ 115,300	\$ 98,800	100.0%	\$ 90,700-\$ 106,500		100%
From:								
8. Technical	11,900	11.4	7,500- 17,000	11,400	11.5	7,200- 15,300		
9. Program	33,000	31.7	26,000- 39,100	31,700	32.1	24,500- 36,200		
10. Selling <sup>d</sup>	18,800	18.0	14,800- 23,300	17,300	17.5	13,000- 21,000		
11. General & administrative	40,600	38.9	32,900- 48,800	38,400	38.9	30,900- 44,000		
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	59,900		53,400- 68,400	57,800		51,900- 64,600		
13. Depreciation & Amortization	5,400		3,300- 8,000	4,000		3,000- 6,600		
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 8,900		(-\$1,300 loss)-\$ 17,800	\$ 14,600		\$ 7,800-\$ 21,800		

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$1,700 with a middle 50% range of \$200-\$4,600; the respective figures for the "profit-only" stations were \$1,100 and \$0-\$3,100.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

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>		4.6%	(-1.7% loss)-12.1%		9.9%	4.7%-18.1%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 85,300		\$ 79,200-\$ 93,000	\$ 85,300		\$ 79,100-\$ 91,700	_____	
3. TOTAL TIME SALES	85,300	100.0%	79,300- 92,400	84,600	100.0%	79,600- 92,000	_____	100%
From:								
4. Networks <sup>c</sup>	0	0.0	0- 1,100	0	0.0	0- 900	_____	
5. National & regional advertisers	8,900	10.4	4,700- 13,600	8,500	10.1	4,200- 12,700	_____	
6. Local advertisers	76,400	89.6	69,700- 81,400	76,100	89.9	70,000- 81,500	_____	
7. TOTAL BROADCAST EXPENSE	\$ 80,900	100.0%	\$ 72,200-\$ 88,900	\$ 75,600	100.0%	\$ 67,700-\$ 83,900	_____	100%
From:								
8. Technical	9,300	11.5	5,900- 13,400	8,600	11.4	5,400- 10,700	_____	
9. Program	25,400	31.4	20,200- 30,400	24,400	32.3	20,100- 29,500	_____	
10. Selling <sup>d</sup>	14,600	18.0	10,000- 18,200	11,900	15.7	8,600- 15,800	_____	
11. General & administrative	31,600	39.1	24,900- 38,200	30,700	40.6	23,500- 35,600	_____	
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	46,600		37,900- 52,100	42,800		36,800- 49,400	_____	
13. Depreciation & Amortization	4,000		2,700- 7,200	3,600		2,500- 5,200	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 4,100		(-\$1,400 loss)-\$10,600	\$ 8,500		\$ 4,200-\$ 15,000	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$1,200 with a middle 50% range of \$0-\$2,300; the respective figures for the "profit-only" stations were \$900 and \$0-\$2,200.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

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>		6.9%	(-1.4% loss)-14.8%			10.4%	6.2%-18.3%			____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 63,000		\$ 57,600-\$ 69,500		\$ 62,800		\$ 57,700-\$ 69,900		_____	
3. TOTAL TIME SALES	63,900	100.0%	57,700- 69,600		63,600	100.0%	58,000- 69,800		_____	100%
From:										
4. Networks <sup>c</sup>	0	0.0	0- 0		0	0.0	0- 0		_____	_____
5. National & regional advertisers	6,000	9.4	2,900- 9,400		6,400	10.0	3,000- 7,700		_____	_____
6. Local advertisers	57,900	90.6	49,800- 62,400		57,200	90.0	50,800- 63,100		_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 58,400	100.0%	\$ 51,000-\$ 66,100		\$ 56,200	100.0%	\$ 49,300-\$ 60,700		_____	100%
From:										
8. Technical	6,500	11.2	4,700- 8,800		6,100	10.9	3,800- 8,400		_____	_____
9. Program	18,200	31.1	13,100- 21,500		17,700	31.4	12,000- 20,700		_____	_____
10. Selling <sup>d</sup>	9,400	16.1	6,600- 12,200		9,000	16.0	6,500- 11,100		_____	_____
11. General & administrative	24,300	41.6	18,200- 29,700		23,400	41.7	16,900- 28,600		_____	_____
SELECTED EXPENSE ITEMS										
12. Total Salaries <sup>e</sup>	32,700		27,600- 36,500		30,400		26,000- 34,200		_____	
13. Depreciation & Amortization	3,700		2,600- 4,700		3,400		2,500- 4,600		_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 4,100		(-\$800 loss)-\$ 8,800		\$ 6,100		\$ 3,700-\$ 12,400		_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$100 with a middle 50% range of \$0-\$2,200; the respective figures for the "profit-only" stations were \$0 and \$0-\$1,400.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.

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

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>		3.6%	(-4.7% loss)-15.1%		11.1%	4.8%-19.9%		____%
2. TOTAL BROADCAST REVENUE <sup>b</sup>	\$ 39,400		\$ 33,800-\$ 45,300	\$ 40,300		\$ 35,300-\$ 45,900	_____	
3. TOTAL TIME SALES	39,800	100.0%	33,800- 45,800	40,600	100.0%	35,100- 46,300	_____	100%
From:								
4. Networks <sup>c</sup>	0	0.0	0- 0	0	0.0	0- 0	_____	_____
5. National & regional advertisers	2,500	6.4	400- 5,000	1,800	4.5	400- 4,700	_____	_____
6. Local advertisers	37,300	93.6	29,500- 41,900	38,800	95.5	31,200- 43,300	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 38,400	100.0%	\$ 30,500-\$ 43,500	\$ 34,700	100.0%	\$ 28,300-\$ 42,000	_____	100%
From:								
8. Technical	5,100	13.4	2,800- 6,200	5,000	14.4	2,600- 6,000	_____	_____
9. Program	12,700	33.2	8,900- 15,800	11,400	32.9	8,100- 15,600	_____	_____
10. Selling <sup>d</sup>	5,500	14.2	3,100- 7,400	5,100	14.6	2,600- 6,800	_____	_____
11. General & administrative	15,100	39.2	10,500- 18,900	13,200	38.1	9,400- 17,000	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries <sup>e</sup>	20,100		14,900- 23,400	19,400		14,700- 22,000	_____	
13. Depreciation & Amortization	2,700		1,900- 3,600	2,600		1,800- 3,300	_____	
14. PROFIT <sup>f</sup> (before Fed- eral income tax)	\$ 1,600		(-\$1,900 loss)-\$ 5,300	\$ 4,500		\$ 1,900-\$ 7,900	_____	

<sup>a</sup> Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

<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 \$200 with a middle 50% range of \$0-\$1,100; the respective figures for the "profit-only" stations were \$100 and \$0-\$300.

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

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

<sup>f</sup> Derived from each station's total expense subtracted from total revenue—NOT line 7 subtracted from line 2.



## 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 1959 calendar year. During the year there were approximately 3,440 AM radio stations in operation. But the universe for this survey (i.e., total number of stations which could have returned usable questionnaires) is only 3,223—the total number of operating stations (3,440) minus 113 stations which did not operate throughout the entire 1959 calendar year and, for stations which did operate a full year 1959, 41 educational stations and 63 radio properties located in Alaska, Hawaii and the Territories of the United States. In line with last year's financial survey, the 3,223 stations in the universe include stations which are not members of the NAB and stations which failed to make a profit in 1959.

Usable returns were provided by 1,092 of the 3,223 possible stations. In other words, the report is based on a 34% 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 (population)	Number of Stations in		Percent of All Stations in	
	NAB Sample	Universe	NAB Sample (1,092)	Universe (3,223)
2.5 million or more	50	164	4.6%	5.1%
1 million— 2,499,999	44	120	4.0	3.7
500,000— 999,999	86	275	7.9	8.5
250,000— 499,999	109	300	10.0	9.3
100,000— 249,999	187	456	17.1	14.2
50,000— 99,999	63	148	5.8	4.6
25,000— 49,999	80	210	7.3	6.5
10,000— 24,999	212	595	19.4	18.5
Less than 10,000	261	955	23.9	29.6
Total	1,092	3,223	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 nonrespondents 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 1959. 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

- (1) Population figures for standard metropolitan areas were used for all cities falling within such an area. The definition of a standard metropolitan 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 10, 1957). In addition, Sales Management's *potential* standard metropolitan areas were used.
- (2) The *Survey of Buying Power's* estimates as of January 1, 1957 were the actual population figures used since those from the U.S. Census cover 1950 and, consequently, are badly out of date. For those few small cities not covered by the *Survey of Buying Power*, the 1950 census figures were used.

#### 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.

Because the typical figure for each expense (or revenue) item is a median rather than a mean, the *total* figures (for example, total broadcast expenses) would not normally be the sum of the median figures for the expense (or revenue) items which comprise the total. The individual revenue and expense items have, however, been adjusted in this report so that they will add up to their respective totals in both dollar and percentage terms.

#### 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> Ten 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. Consequently, the typical profit margin ratio found on line 1 of all the yardstick tables is NOT the result of a simple division of the typical gross profit (line 14) by the typical total revenue figure (line 2 in each yardstick table). This direct station-by-station method of calculating the profit margin provides a much more 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.

Unlike the yardstick figures in Part II, 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.



