

FINANCIAL REPORT

Radio

NATIONAL ASSOCIATION OF BROADCASTERS

1961

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NATIONAL ASSOCIATION OF BROADCASTERS

1771 N Street, N.W.

Washington 6, D. C.

Department of Broadcast Personnel and Economics

INTRODUCTION

This report presents information on **revenues, expenses, and profits** in AM radio stations for the calendar year 1960. 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, Hawaii, and the Territories of the United States, and stations which were not on the air throughout the entire 1960 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 the same manner as the past four years.

This report was prepared 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.

Highlights

- 1960 . . . found the typical radio station with about \$110,000 in total revenue . . . about \$102,000 in total expense . . . and a profit margin of about 8¢ on every sales dollar. (See Table 1.)
- 1960 . . . showed that for every time sales dollar taken in by the typical radio station, about 86¢ came from local advertisers, about 14¢ from national and regional advertisers, and less than 1¢ from network sponsors. The pattern of time sales for the typical radio station has changed slightly this year—local advertisers contributed a little more in 1960 than in 1959.
- 1960 . . . the four general expense categories divided the expense dollar in almost the same manner as last year with 38¢ going for general and administrative, 33¢ for programming, 18¢ for selling, and 11¢ for technical. General and administrative costs are up one cent this year while programming costs decreased one cent. (See “pie” charts on page 4.)
- 1961 . . . broadcasters’ estimates anticipate an increase in the typical station’s total revenue of 1.9¢ over the ’60 figure, or up to an estimated dollar figure of about \$112,000 on a *nationwide* basis.

TABLE 1—REVENUE AND EXPENSE FOR THE TYPICAL RADIO STATION, NATIONWIDE, 1960

The typical PROFIT MARGIN was 7.6%

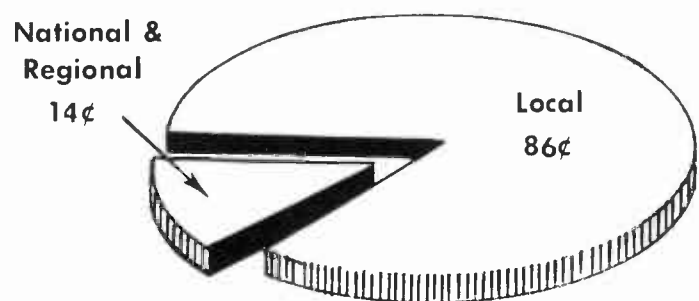
Revenue and Expense Items	Typical Dollar Figures	Typical Percent Figures
TOTAL BROADCAST REVENUE ^a	\$ 110,200	
TOTAL TIME SALES	110,300	100.0%
From:		
Networks ^b	0	0.0
National & regional advertisers	15,900	14.4
Local advertisers	94,400	85.6
TOTAL BROADCAST EXPENSE	\$ 101,800	100.0%
From:		
Technical	10,900	10.7
Program	33,500	32.9
Selling ^c	18,700	18.4
General & administrative	38,700	38.0
SELECTED EXPENSE ITEMS		
Total salaries & wages (including supervision) and all talent expense	60,700	
Depreciation & amortization	5,600	
PROFIT (before Federal income tax)	\$ 8,400	

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

^b For only those stations which were affiliated with nationwide networks, the typical network revenue was \$800.

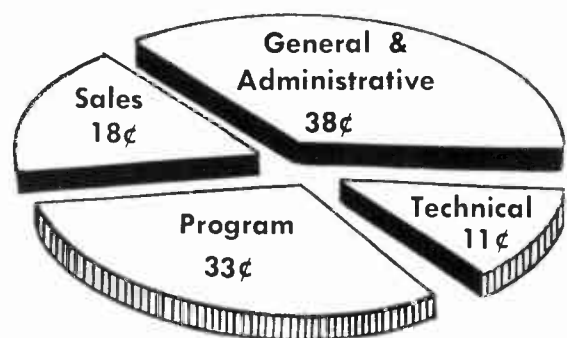
^c Includes all promotion; excludes agency and rep. commissions.

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

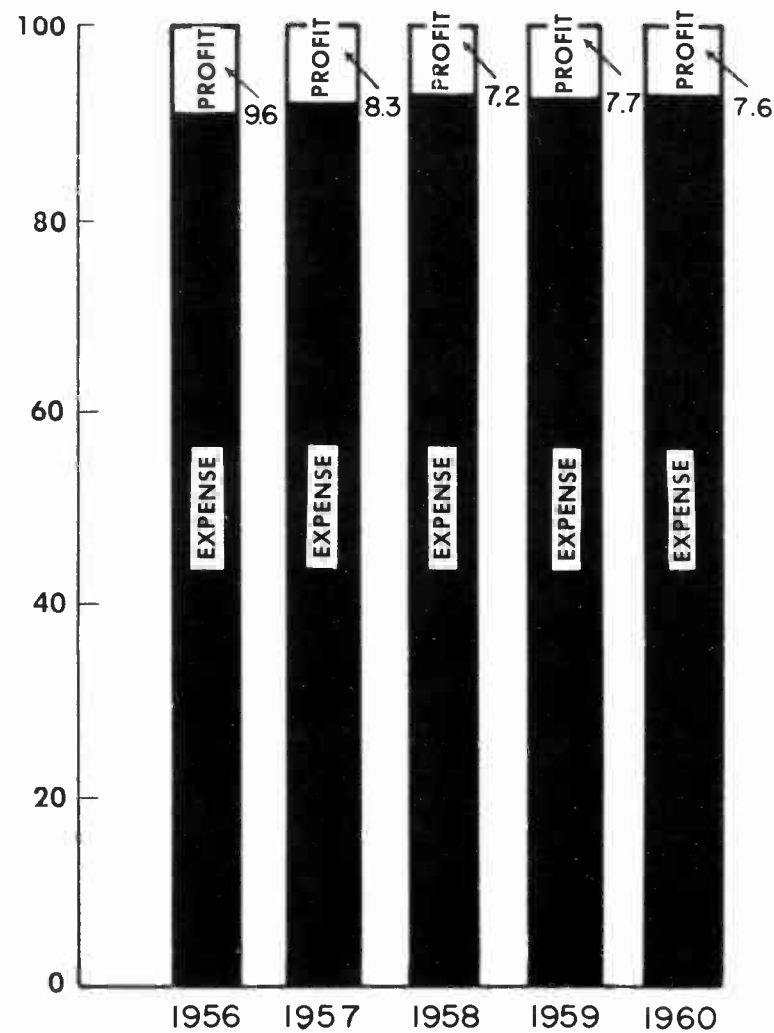


Network: less than 1¢

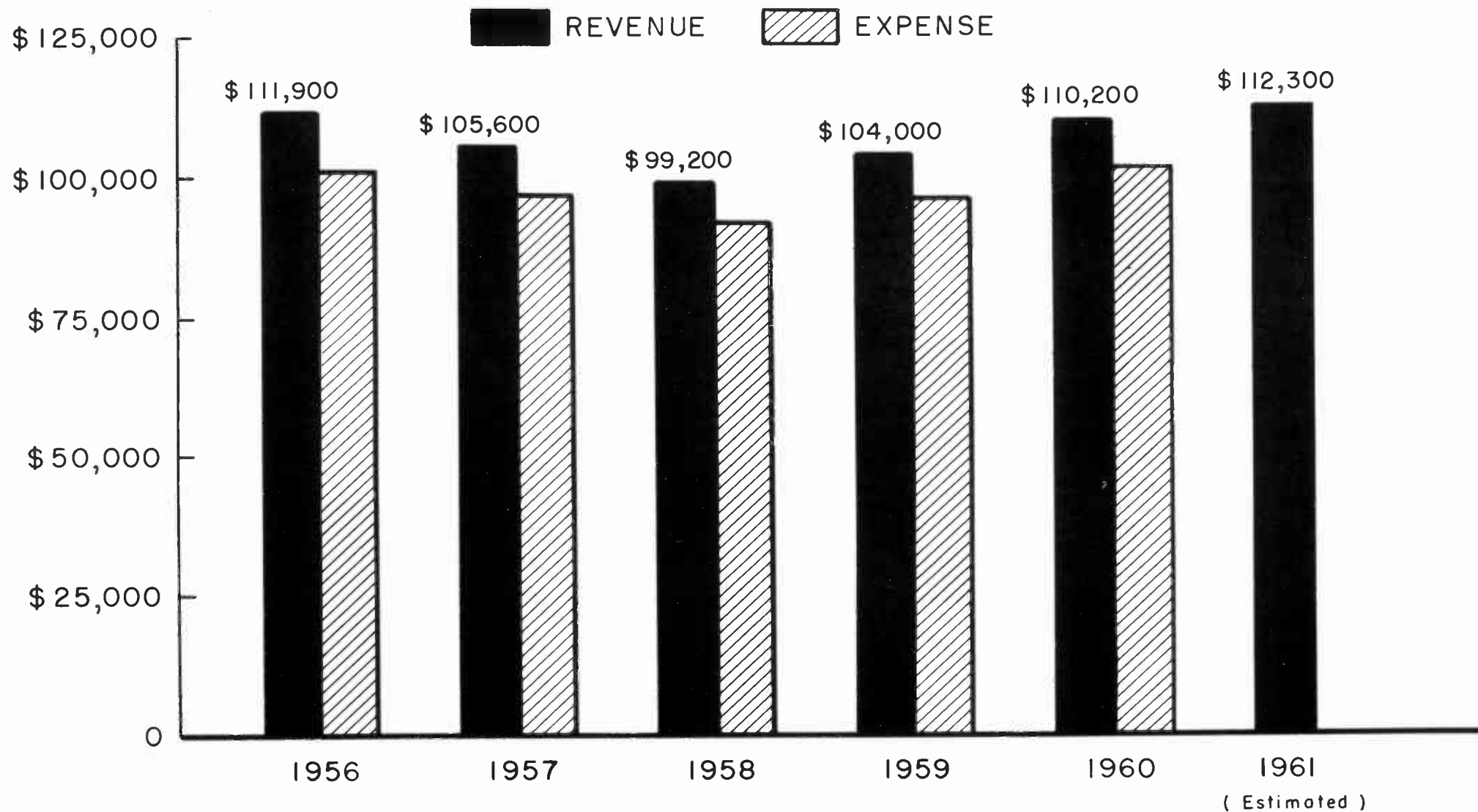
WHERE DOES THE TYPICAL STATION'S EXPENSE DOLLAR GO?



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 1960.
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 1960 population figures in Sales Management's annual *Survey of Buying Power* (July 1960). 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 1960.

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 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 1960 or only made a small profit, you might want to use the yardstick figures for profit-only stations as goals for 1961.

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 ^a		25.4%	5.6%-35.5%		25.7%	9.4%-35.6%		____%
2. TOTAL BROADCAST REVENUE ^b	\$2,308,800		\$1,542,700-\$2,790,700	\$2,362,100		\$1,608,600-\$2,868,000	_____	
3. TOTAL TIME SALES From:	2,657,700	100.0%	1,724,500- 3,317,300	2,749,700	100.0%	1,787,800- 3,444,800	_____	100%
4. Networks ^c	13,300	0.5	0- 35,500	13,700	0.5	0- 36,500	_____	_____
5. National & regional advertisers	1,873,700	70.5	1,225,600- 2,884,600	1,880,800	68.4	1,217,600- 2,979,800	_____	_____
6. Local advertisers	770,700	29.0	282,700- 1,018,900	855,200	31.1	313,400- 1,037,500	_____	_____
7. TOTAL BROADCAST EXPENSE	\$1,800,700	100.0%	\$1,198,100-\$2,090,500	\$1,670,300	100.0%	\$1,191,600-\$2,153,000	_____	100%
From:								
8. Technical	288,100	16.0	203,500- 355,200	260,500	15.6	198,800- 338,000	_____	_____
9. Program	660,900	36.7	481,000- 1,023,400	603,000	36.1	477,200- 1,002,400	_____	_____
10. Selling ^d	379,900	21.1	231,400- 402,300	377,500	22.6	229,500- 407,700	_____	_____
11. General & administrative	471,800	26.2	287,700- 622,300	429,300	25.7	281,500- 627,300	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	901,600		719,300- 1,401,400	875,400		702,700- 1,443,700	_____	
13. Depreciation & Amortization	42,300		18,200- 53,100	40,300		15,400- 53,600	_____	
14. PROFIT ^f (before Fed- eral income tax)	\$ 506,700		\$ 90,600-\$ 931,900	\$ 560,100		\$ 270,100-\$ 946,400	_____	

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$20,300 with a middle 50% range of \$9,800-\$39,500; the respective figures for the "profit-only" stations were \$23,700 and \$12,100-\$40,800.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a		5.8%	(—6.1% loss)-15.7%		10.3%	4.8%-20.3%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 244,700		\$ 146,700-\$ 386,900	\$ 244,700		\$ 168,000-\$ 314,500		
3. TOTAL TIME SALES	254,200	100.0%	147,900- 450,500	254,200	100.0%	176,200- 323,800		100%
From:								
4. Networks ^c	0	0.0	0- 0	0	0.0	0- 0		
5. National & regional advertisers	44,200	17.4	10,500- 117,900	40,200	15.8	5,700- 111,400		
6. Local advertisers	210,000	82.6	105,400 320,600	214,000	84.2	130,900- 285,800		
7. TOTAL BROADCAST EXPENSE	\$ 225,800	100.0%	\$ 149,500-\$ 383,200	\$ 225,800	100.0%	\$ 146,400-\$ 264,800		100%
From:								
8. Technical	30,200	13.4	15,200- 51,000	28,700	12.7	15,300- 47,300		
9. Program	61,900	27.4	38,800- 100,500	63,000	27.9	40,800- 88,600		
10. Selling ^d	40,900	18.1	27,400- 71,300	39,500	17.5	26,500- 59,600		
11. General & administrative	92,800	41.1	57,100- 113,100	94,600	41.9	52-600- 112,000		
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	132,400		82,800- 202,900	132,400		82,900- 163,300		
13. Depreciation & Amortization	10,400		6,300- 14,400	9,700		5,600- 12,900		
14. PROFIT ^f (before Federal income tax)	\$ 11,200		(—\$12,800 loss)-\$ 38,900	\$ 28,200		\$ 8,100-\$ 48,000		

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$4,700 with a middle 50% range of \$0-\$39,300; the respective figures for the "profit-only" stations were \$4,700 and \$0-\$39,300.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a		8.8%	0.7%-17.6%			13.2%	5.4%-19.6%			____%
2. TOTAL BROADCAST REVENUE ^b	\$ 504,800		\$ 251,900-\$ 783,700		\$ 622,800		\$ 288,600-\$ 993,000		_____	
3. TOTAL TIME SALES	604,500	100.0%	261,700- 905,000		686,300	100.0%	312,100- 1,157,600		_____	100%
From:										
4. Networks ^c	4,200	0.7	0- 12,700		4,800	0.7	0- 16,200		_____	_____
5. National & regional advertisers	282,900	46.8	78,300 469,600		344,500	50.2	88,300- 614,400		_____	_____
6. Local advertisers	317,400	52.5	169,200- 426,200		337,000	49.1	190,600- 484,200		_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 494,500	100.0%	\$ 248,900-\$ 680,500		\$ 504,200	100.0%	\$ 253,600-\$ 719,400		_____	100%
From:										
8. Technical	70,200	14.2	18,100- 130,000		85,700	17.0	26,100- 139,300		_____	_____
9. Program	164,700	33.3	65,400- 212,900		161,900	32.1	77,800- 237,100		_____	_____
10. Selling ^d	113,200	22.9	55,500- 158,300		112,400	22.3	55,500- 164,000		_____	_____
11. General & administrative	146,400	29.6	89,700- 208,000		144,200	28.6	100,500- 226,300		_____	_____
SELECTED EXPENSE ITEMS										
12. Total Salaries ^e	260,200		172,400- 395,900		291,100		183,900- 411,500		_____	
13. Depreciation & Amortization	15,300		9,600- 29,200		17,700		10,100- 28,600		_____	
14. PROFIT ^f (before Fed- eral income tax)	\$ 37,400		\$ 2,200-\$ 162,000		\$ 57,300		\$ 18,200-\$ 216,400		_____	

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$9,000 with a middle 50% range of \$4,300-\$25,000; the respective figures for the "profit-only" stations were \$10,800 and \$4,300-\$26,900.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a	6.2% (—2.9% loss)-15.4%			13.0% 5.7%-19.3%			_____ %	
2. TOTAL BROADCAST REVENUE ^b	\$ 322,600		\$ 170,300-\$ 505,500	\$ 368,000		\$ 177,000-\$ 556,000	_____	
3. TOTAL TIME SALES	339,500	100.0%	174,600- 601,300	405,500	100.0%	205,000- 631,800	_____	100%
From:								
4. Networks ^c	0	0.0	0- 4,600	0	0.0	0- 4,400	_____	_____
5. National & regional advertisers	112,700	33.2	30,500- 245,800	139,100	34.3	27,100- 312,500	_____	_____
6. Local advertisers	226,800	66.8	129,300- 292,700	266,400	65.7	141,800- 328,000	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 307,200	100.0%	\$ 179,000-\$ 430,200	\$ 335,700	100.0%	\$ 147,300-\$ 433,200	_____	100%
From:								
8. Technical	42,400	13.8	17,300- 59,500	45,600	13.6	18,800- 57,900	_____	_____
9. Program	99,800	32.5	41,900- 145,100	111,800	33.3	41,300- 153,300	_____	_____
10. Selling ^d	59,600	19.4	39,100- 84,700	68,500	20.4	39,000- 87,400	_____	_____
11. General & administrative	105,400	34.3	64,800- 147,400	109,800	32.7	62,400- 150,200	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	181,000		100,300- 250,500	190,200		99,200- 254,900	_____	
13. Depreciation & Amortization	14,400		6,500- 23,400	14,000		5,400- 21,600	_____	
14. PROFIT ^f (before Federal income tax)	\$ 17,400	(—\$5,400 loss)-\$	56,000	\$ 28,300		\$ 16,100-\$ 82,300	_____	

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$7,000 with a middle 50% range of \$2,100-\$19,300; the respective figures for the "profit-only" stations were \$7,000 and \$2,200-\$20,800.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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)

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 ^a		4.3%	(—8.4% loss)-15.1%		9.8%	4.1%-19.8%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 186,800		\$ 127,100-\$ 284,000	\$ 218,300		\$ 147,000-\$ 312,900	_____	
3. TOTAL TIME SALES	188,400	100.0%	137,900- 309,200	230,700	100.0%	153,600- 343,000	_____	100%
From:								
4. Networks ^c	200	0.1	0- 3,400	200	0.1	0- 2,800	_____	_____
5. National & regional advertisers	48,000	25.5	16,500- 113,200	69,200	30.0	18,200- 143,500	_____	_____
6. Local advertisers	140,200	74.4	98,300- 185,100	161,300	69.9	102,800- 207,600	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 190,900	100.0%	\$ 135,400-\$ 254,000	\$ 192,500	100.0%	\$ 135,900-\$ 255,600	_____	100%
From:								
8. Technical	22,700	11.9	10,000- 39,900	22,200	11.5	9,800- 42,300	_____	_____
9. Program	59,700	31.3	33,100- 86,300	60,800	31.6	33,000- 87,000	_____	_____
10. Selling ^d	36,300	19.0	26,100- 51,900	35,800	18.6	26,300- 55,500	_____	_____
11. General & administrative	72,200	37.8	45,700- 94,200	73,700	38.3	45,900- 95,400	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	102,600		70,800- 146,300	109,300		73,900- 156,800	_____	
13. Depreciation & Amortization	9,700		5,500- 18,700	9,000		4,900- 13,900	_____	
14. PROFIT ^f (before Fed- eral income tax)	\$ 5,800		(—\$9,000 loss)-\$ 36,900	\$ 19,100		\$ 5,300-\$ 60,700	_____	

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$2,500 with a middle 50% range of \$300-\$6,500; the respective figures for the "profit-only stations" were \$2,100 and \$300-\$6,100.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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)

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 ^a		7.5%	(—0.8% loss)-12.9%		10.3%	5.4%-16.1%		—%
2. TOTAL BROADCAST REVENUE ^b	\$ 164,100		\$ 112,900-\$ 204,000	\$ 173,500		\$ 127,400-\$ 219,600		
3. TOTAL TIME SALES	163,000	100.0%	114,700- 214,600	175,200	100.0%	125,800- 225,800		100%
From:								
4. Networks ^c	300	0.2	0- 2,600	300	0.2	0- 2,400		
5. National & regional advertisers	35,700	21.9	16,400- 62,200	34,000	19.4	14,500- 66,400		
6. Local advertisers	127,000	77.9	82,500- 157,200	140,900	80.4	95,700- 167,500		
7. TOTAL BROADCAST EXPENSE	\$ 148,000	100.0%	\$ 109,800-\$ 193,300	\$ 152,400	100.0%	\$ 115,300-\$ 196,500		100%
From:								
8. Technical	16,300	11.0	9,200- 28,300	16,300	10.7	9,200- 28,200		
9. Program	46,300	31.3	31,800- 62,400	48,800	32.0	31,300- 66,600		
10. Selling ^d	28,900	19.5	18,100- 41,000	30,200	19.8	19,500- 45,500		
11. General & administrative	56,500	38.2	37,900- 72,100	57,100	37.5	37,400- 72,400		
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	87,100		65,300- 120,200	92,300		66,200- 123,500		
13. Depreciation & Amortization	8,700		4,800- 15,200	7,500		4,200- 14,000		
14. PROFIT ^f (before Fed- eral income tax)	\$ 10,100		(—\$800 loss)-\$ 23,700	\$ 16,100		\$ 7,200-\$ 31,700		

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$1,700 with a middle 50% range of \$400-\$5,800; the respective figures for the "profit-only" stations were \$1,500 and \$200-\$4,300.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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)

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 ^a		7.7%	(-0.7% loss)-15.7%		10.2%	6.1%-16.9%		—%
2. TOTAL BROADCAST REVENUE ^b	\$ 125,000		\$ 98,100-\$ 183,200	\$ 137,100		\$ 108,400-\$ 212,300	_____	
3. TOTAL TIME SALES	125,800	100.0%	99,300- 188,500	137,600	100.0%	110,500- 208,000	_____	100%
From:								
4. Networks ^c	300	0.2	0- 2,300	300	0.2	0- 2,300	_____	_____
5. National & regional advertisers	18,700	14.9	10,100- 32,300	19,700	14.3	11,600- 33,900	_____	_____
6. Local advertisers	106,800	84.9	82,500- 146,400	117,600	85.5	88,700- 160,300	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 119,400	100.0%	\$ 93,500-\$ 171,300	\$ 123,900	100.0%	\$ 98,600-\$ 190,000	_____	100%
From:								
8. Technical	14,600	12.2	9,000- 23,600	15,400	12.4	9,200- 24,700	_____	_____
9. Program	35,200	29.5	26,900- 50,700	38,800	31.3	29,600- 53,500	_____	_____
10. Selling ^d	23,900	20.0	15,100- 33,000	24,000	19.4	16,100- 35,600	_____	_____
11. General & administrative	45,700	38.3	35,000- 61,300	45,700	36.9	36,600- 64,900	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	68,400		51,000- 100,100	72,100		53,500- 105,700	_____	_____
13. Depreciation & Amortization	6,900		3,800- 10,500	6,700		3,500- 9,900	_____	_____
14. PROFIT ^f (before Fed- eral income tax)	\$ 11,800		(-\$600 loss)-\$ 24,300	\$ 18,100		\$ 8,400-\$ 26,400	_____	_____

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$1,000 with a middle 50% range of \$200-\$3,500; the respective figures for the "profit-only" stations were \$1,000 and \$200-\$3,300.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a		8.4%	1.8%-14.8%		11.6%	4.8%-17.7%		—%
2. TOTAL BROADCAST REVENUE ^b	\$ 112,200		\$ 84,600-\$ 150,200	\$ 120,800		\$ 93,500-\$ 155,100		
3. TOTAL TIME SALES	112,000	100.0%	84,200- 150,200	117,100	100.0%	91,300- 155,500		100%
From:								
4. Networks ^c	0	0.0	0- 1,400	0	0.0	0- 1,200		
5. National & regional advertisers	16,500	14.7	7,700- 25,200	19,000	16.2	11,600- 27,000		
6. Local advertisers	95,500	85.3	69,800- 121,900	98,100	83.8	78,300- 124,400		
7. TOTAL BROADCAST EXPENSE	\$ 105,100	100.0%	\$ 77,400-\$ 131,700	\$ 105,100	100.0%	\$ 80,300-\$ 136,300		100%
From:								
8. Technical	11,200	10.7	6,100- 15,700	11,100	10.6	6,900- 16,400		
9. Program	34,700	33.0	23,800- 44,300	34,200	32.5	24,500- 46,000		
10. Selling ^d	19,600	18.6	11,800- 25,300	18,900	18.0	11,200- 25,300		
11. General & administrative	39,600	37.7	25,500- 48,800	40,900	38.9	26,600- 49,900		
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	62,100		45,000- 77,800	62,900		49,000- 78,600		
13. Depreciation & Amortization	5,800		4,000- 11,000	6,100		3,900- 11,100		
14. PROFIT ^f (before Fed- eral income tax)	\$ 7,700		\$ 1,700-\$ 18,800	\$ 12,600		\$ 4,800-\$ 23,100		

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$900 with a middle 50% range of \$0-\$2,400; the respective figures for the "profit-only" stations were \$800 and \$0-\$2,400.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a		7.4%	1.3%-16.5%		10.2%	5.3%-19.7%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 97,200		\$ 75,700-\$ 125,600	\$ 101,100		\$ 80,100-\$ 132,400	_____	
3. TOTAL TIME SALES	98,700	100.0%	75,300- 128,700	103,100	100.0%	80,000- 134,600	_____	100%
From:								
4. Networks ^c	0	0.0	0- 700	0	0.0	0- 500	_____	_____
5. National & regional advertisers	11,900	12.1	5,700- 20,400	11,200	10.9	5,800- 20,900	_____	_____
6. Local advertisers	86,800	87.9	64,100- 109,400	91,900	89.1	69,800- 112,000	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 89,200	100.0%	\$ 68,700-\$ 119,500	\$ 89,800	100.0%	\$ 71,500-\$ 119,100	_____	100%
From:								
8. Technical	9,300	10.4	6,100- 14,200	9,300	10.3	6,200- 14,300	_____	_____
9. Program	28,400	31.9	19,000- 37,800	29,500	32.9	20,400- 38,000	_____	_____
10. Selling ^d	15,200	17.0	10,000- 22,500	15,000	16.7	9,700- 22,300	_____	_____
11. General & administrative	36,300	40.7	26,100- 51,100	36,000	40.1	26,400- 59,300	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	51,300		37,900- 70,700	52,300		40,100- 68,400	_____	
13. Depreciation & Amortization	4,500		2,800- 7,700	5,200		\$ 2,700- 8,800	_____	
14. PROFIT ^f (before Fed- eral income tax)	\$ 6,500		\$ 1,000-\$ 16,700	\$ 11,000		\$ 4,700-\$ 19,400	_____	

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$500 with a middle 50% range of \$0-\$2,300; the respective figures for the "profit-only" stations were \$400 and \$0-\$1,900.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a		9.3%	2.2%-16.9%			11.1%	5.6%-18.2%			—%
2. TOTAL BROADCAST REVENUE ^b	\$ 61,600		\$ 45,600-\$ 82,700		\$ 63,700		\$ 46,900-\$ 86,300			
3. TOTAL TIME SALES	62,100	100.0%	45,400- 82,100		64,700	100.0%	47,000- 85,600			100%
From:										
4. Networks ^c	0	0.0	0- 0		0	0.0	0- 0			
5. National & regional advertisers	5,200	8.3	2,000- 9,600		5,400	8.3	2,100- 10,000			
6. Local advertisers	56,900	91.7	40,900- 74,700		59,300	91.7	43,300- 76,400			
7. TOTAL BROADCAST EXPENSE	\$ 55,700	100.0%	\$ 42,000-\$ 76,200		\$ 54,900	100.0%	\$ 42,100-\$ 76,200			100%
From:										
8. Technical	6,400	11.5	3,900- 9,700		6,300	11.4	3,800- 9,800			
9. Program	17,500	31.4	12,100- 24,300		16,800	30.7	12,200- 24,400			
10. Selling ^d	8,800	15.8	5,300- 13,500		8,700	15.8	5,500- 13,500			
11. General & administrative	23,000	41.3	15,000- 30,100		23,100	42.1	15,000- 31,400			
SELECTED EXPENSE ITEMS										
12. Total Salaries ^e	31,700		21,800- 43,500		31,900		22,000- 44,600			
13. Depreciation & Amortization	3,300		2,300- 4,600		3,300		2,400- 4,500			
14. PROFIT ^f (before Fed- eral income tax)	\$ 5,800		\$ 1,200-\$ 11,500		\$ 7,300		\$ 3,500-\$ 13,200			

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$0 with a middle 50% range of \$0-\$1,100; the respective figures for the "profit-only" stations were \$0 and \$0-\$1,700.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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)

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 ^a		22.7%	11.2%-36.1%		24.4%	12.3%-36.4%		____%
2. TOTAL BROADCAST REVENUE ^b	\$1,236,100		\$ 956,700-\$1,952,200	\$1,236,100		\$ 974,200-\$1,952,300	_____	
3. TOTAL TIME SALES	1,472,300	100.0%	1,064,400- 2,316,100	1,472,300	100.0%	1,084,500- 2,355,200	_____	100%
From:								
4. Networks ^c	5,900	0.4	0- 36,500	4,400	0.3	0- 33,500	_____	_____
5. National & regional advertisers	952,600	64.7	509,200- 1,366,200	954,100	64.8	521,300- 1,348,200	_____	_____
6. Local advertisers	513,800	34.9	327,400- 681,900	513,800	34.9	348,200- 705,900	_____	_____
7. TOTAL BROADCAST EXPENSE	\$1,135,500	100.0%	\$ 757,600-\$1,548,200	\$1,109,100	100.0%	\$ 748,000-\$1,504,100	_____	100%
From:								
8. Technical	187,400	16.5	125,800- 238,300	180,800	16.3	121,200- 222,800	_____	_____
9. Program	414,400	36.5	236,400- 553,700	404,800	36.5	236,100- 525,700	_____	_____
10. Selling ^d	223,700	19.7	132,400- 297,000	219,600	19.8	131,200- 308,200	_____	_____
11. General & administrative	310,000	27.3	221,900- 380,000	303,900	27.4	208,700- 376,800	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	682,000		442,900- 874,800	669,000		440,200- 848,800	_____	
13. Depreciation & Amortization	32,800		18,300- 49,600	31,000		18,200- 49,800	_____	
14. PROFIT ^f (before Fed- eral income tax)	\$ 323,900		\$ 127,900-\$ 510,900	\$ 331,100		\$ 150,300-\$ 519,300	_____	

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$20,300 with a middle 50% range of \$5,800-\$47,200; the respective figures for the "profit-only" stations were \$20,300 and \$5,100-\$44,600.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a		11.3%	1.4%-17.5%		15.2%	8.4%-22.4%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 605,200		\$ 553,200-\$ 661,900	\$ 605,800		\$ 552,100-\$ 649,100	_____	
3. TOTAL TIME SALES From:	686,700	100.0%	621,600- 754,600	680,900	100.0%	618,700- 752,400	_____	100%
4. Networks ^c	3,400	0.5	0- 19,600	3,400	0.5	0- 19,300	_____	
5. National & regional advertisers	336,500	49.0	222,800- 458,200	309,800	45.5	214,000- 421,100	_____	
6. Local advertisers	346,800	50.5	272,700- 415,500	367,700	54.0	290,600- 419,500	_____	
7. TOTAL BROADCAST EXPENSE	\$ 527,800	100.0%	\$ 463,800-\$ 626,500	\$ 510,500	100.0%	\$ 445,700-\$ 555,200	_____	100%
From:								
8. Technical	72,300	13.7	52,800- 113,700	65,900	12.9	50,100- 99,600	_____	
9. Program	168,900	32.0	140,800- 187,200	165,400	32.4	139,300- 181,000	_____	
10. Selling ^d	120,300	22.8	87,800- 140,100	112,300	22.0	74,400- 137,500	_____	
11. General & administrative	166,300	31.5	136,800- 194,000	166,900	32.7	136,100- 179,500	_____	
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	287,100		252,200- 346,100	283,700		251,400- 318,700	_____	
13. Depreciation & Amortization	21,100		14,300- 35,800	20,700		13,900- 28,500	_____	
14. PROFIT ^f (before Fed- eral income tax)	\$ 71,200		\$ 7,500-\$ 117,600	\$ 86,900		\$ 52,000-\$ 143,600	_____	

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$10,400 with a middle 50% range of \$3,900-\$34,700; the respective figures for the "profit-only" stations were \$10,000 and \$3,600-\$31,300.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a		11.0%	4.2%-17.0%		12.7%	6.8%-18.0%		_____%
2. TOTAL BROADCAST REVENUE ^b	\$ 393,400		\$ 339,500-\$ 432,700	\$ 395,500		\$ 340,000-\$ 433,500	_____	
3. TOTAL TIME SALES	414,800	100.0%	357,800- 498,800	416,500	100.0%	357,400- 501,700	_____	100%
From:								
4. Networks ^c	2,100	0.5	0- 9,200	1,700	0.4	0- 6,300	_____	_____
5. National & regional advertisers	150,600	36.3	96,200- 215,600	155,800	37.4	90,800- 237,300	_____	_____
6. Local advertisers	262,100	63.2	202,300- 291,300	259,000	62.2	189,400- 292,300	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 347,000	100.0%	\$ 287,100-\$ 407,600	\$ 338,800	100.0%	\$ 283,600-\$ 397,000	_____	100%
From:								
8. Technical	49,600	14.3	33,600- 64,000	47,100	13.9	33,300- 61,700	_____	_____
9. Program	108,600	31.3	84,400- 131,800	105,700	31.2	81,900- 125,200	_____	_____
10. Selling ^d	68,000	19.6	51,900- 85,000	67,100	19.8	51,800- 81,000	_____	_____
11. General & administrative	120,800	34.8	96,900- 143,300	118,900	35.1	96,700- 141,100	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	198,800		166,700- 241,500	192,200		162,700- 225,200	_____	_____
13. Depreciation & Amortization	13,900		9,500- 22,900	12,800		9,100- 21,700	_____	_____
14. PROFIT ^f (before Fed- eral income tax)	\$ 45,200		\$ 17,400-\$ 63,700	\$ 52,000		\$ 25,400-\$ 67,300	_____	_____

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$3,100 with a middle 50% range of \$1,700-\$11,300; the respective figures for the "profit-only" stations were \$2,700 and \$1,500-\$11,300.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a		8.3%	1.6%-16.2%		9.5%	5.5%-17.5%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 235,000		\$ 214,400-\$ 267,200	\$ 238,500		\$ 217,200-\$ 268,300		
3. TOTAL TIME SALES From:	247,200	100.0%	224,000- 275,900	245,800	100.0%	221,200- 274,600		100%
4. Networks ^c	300	0.1	0- 2,700	200	0.1	0- 2,800		
5. National & regional advertisers	64,000	25.9	37,200- 100,000	56,800	23.1	26,800- 90,100		
6. Local advertisers	182,900	74.0	152,700- 203,600	188,800	76.8	153,700- 205,100		
7. TOTAL BROADCAST EXPENSE	\$ 218,500	100.0%	\$ 195,800-\$ 250,700	\$ 210,300	100.0%	\$ 190,800-\$ 234,500		
From:								
8. Technical	27,100	12.4	19,700- 40,200	27,300	13.0	18,800- 38,200		100%
9. Program	68,000	31.1	54,700- 80,300	65,200	31.0	54,200- 77,000		
10. Selling ^d	43,000	19.7	33,800- 54,800	40,800	19.4	32,600- 51,700		
11. General & administrative	80,400	36.8	63,600- 101,100	77,000	36.6	62,100- 89,600		
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	129,700		110,100- 147,300	126,300		108,600- 144,200		
13. Depreciation & Amortization	12,000		6,800- 20,600	10,400		6,300- 17,200		
14. PROFIT ^f (before Fed- eral income tax)	\$ 19,000		\$ 3,800-\$ 38,100	\$ 23,700		\$ 12,500-\$ 43,500		

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$2,000 with a middle 50% range of \$200-\$5,900; the respective figures for the "profit-only" stations were \$1,700 and \$200-\$5,800.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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)

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 ^a		8.1% (—0.6% loss)-14.3%			10.6%	6.0%-16.9%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 170,500		\$ 157,200-\$ 184,200	\$ 170,500		\$ 156,300-\$ 184,200	_____	
3. TOTAL TIME SALES	172,800	100.0%	159,200- 188,500	172,600	100.0%	156,600- 187,800	_____	100%
From:								
4. Networks ^c	0	0.0	0- 2,200	0	0.0	0- 1,600	_____	_____
5. National & regional advertisers	31,400	18.2	18,400- 49,200	29,700	17.2	17,500- 44,800	_____	_____
6. Local advertisers	141,400	81.8	122,600- 154,000	142,900	82.8	123,100- 155,800	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 158,500	100.0%	\$ 142,300-\$ 176,200	\$ 150,200	100.0%	\$ 138,800-\$ 165,100	_____	100%
From:								
8. Technical	16,500	10.4	11,400- 25,300	15,500	10.3	10,800- 21,000	_____	_____
9. Program	49,100	31.0	39,900- 58,400	47,200	31.4	37,700- 55,200	_____	_____
10. Selling ^d	31,600	19.9	25,700- 37,900	29,700	19.8	24,800- 35,700	_____	_____
11. General & administrative	61,300	38.7	47,100- 71,800	57,800	38.5	45,600- 68,400	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	93,300		79,500- 104,900	89,900		78,100- 100,700	_____	_____
13. Depreciation & Amortization	7,700		5,100- 13,400	7,100		4,800- 11,000	_____	_____
14. PROFIT ^f (before Fed- eral income tax)	\$ 13,500		(—\$1,100 loss)-\$ 23,800	\$ 18,600		\$ 10,600-\$ 27,800	_____	_____

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$1,600 with a middle 50% range of \$300-\$5,800; the respective figures for the "profit-only" stations were \$1,100 and \$200-\$3,100.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a		5.5%	(—1.0% loss)-12.1%		8.9%	4.7%-14.6%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 135,900		\$ 128,600-\$ 142,300	\$ 136,800		\$ 129,500-\$ 143,000	_____	
3. TOTAL TIME SALES	137,600	100.0%	129,400- 148,900	137,400	100.0%	129,300- 149,100	_____	100%
From:								
4. Networks ^c	0	0.0	0- 1,900	0	0.0	0- 1,400	_____	_____
5. National & regional advertisers	21,200	15.4	12,200- 35,500	19,600	14.3	11,100- 33,700	_____	_____
6. Local advertisers	116,400	84.6	100,400- 123,700	117,800	85.7	102,600- 125,400	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 127,600	100.0%	\$ 118,800-\$ 140,000	\$ 122,500	100.0%	\$ 115,800-\$ 131,300	_____	100%
From:								
8. Technical	13,500	10.6	8,800- 19,200	13,600	11.1	8,800- 18,300	_____	_____
9. Program	39,800	31.2	31,400- 46,200	39,000	31.8	31,100- 44,900	_____	_____
10. Selling ^d	23,800	18.6	18,400- 31,300	21,800	17.8	17,000- 27,700	_____	_____
11. General & administrative	50,500	39.6	38,000- 58,600	48,100	39.3	37,100- 55,900	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	76,000		68,200- 84,700	73,800		67,500- 79,500	_____	
13. Depreciation & Amortization	6,600		4,000- 11,000	6,200		3,400- 9,800	_____	
14. PROFIT ^f (before Fed- eral income tax)	\$ 7,900		(—\$1,300 loss)-\$ 16,400	\$ 12,000		\$ 6,200-\$ 20,400	_____	

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$1,200 with a middle 50% range of \$0-\$6,100; the respective figures for the "profit-only" stations were \$800 and \$0-\$4,900.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 ^a		5.9%	0.0%-14.1%		10.1%	4.3%-17.7%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 112,100		\$ 105,900-\$ 118,700	111,700		\$ 106,800-\$ 119,700	_____	
3. TOTAL TIME SALES	112,700	100.0%	105,700- 120,900	112,100	100.0%	105,300- 120,900	_____	100%
From:								
4. Networks ^c	0	0.0	0- 1,200	0	0.0	0- 1,100	_____	_____
5. National & regional advertisers	14,100	12.5	7,100- 22,500	12,900	11.5	6,600- 21,200	_____	_____
6. Local advertisers	98,600	87.5	87,500- 104,100	99,200	88.5	89,000- 105,300	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 105,100	100.0%	\$ 95,700-\$ 115,800	\$ 100,000	100.0%	\$ 92,600-\$ 107,100	_____	100%
From:								
8. Technical	11,400	10.8	7,600- 15,600	10,500	10.5	7,000- 15,000	_____	_____
9. Program	33,200	31.6	25,400- 36,700	32,000	32.0	24,500- 35,200	_____	_____
10. Selling ^d	18,400	17.5	13,400- 24,200	17,400	17.4	13,000- 22,700	_____	_____
11. General & administrative	42,100	40.1	33,100- 50,400	40,100	40.1	31,100- 47,000	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	59,600		52,600- 66,900	57,300		51,000- 63,500	_____	
13. Depreciation & Amortization	6,100		3,500- 9,900	4,600		3,300- 8,100	_____	
14. PROFIT ^f (before Fed- eral income tax)	\$ 6,800	(—\$100 loss)-\$	16,500	\$ 11,300		\$ 4,900-\$ 20,600	_____	

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$800 with a middle 50% range of \$0-\$2,200; the respective figures for the "profit-only" stations were \$600 and \$0-\$1,400.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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)

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 ^a		7.0%	0.4%-13.9%		9.6%	5.1%-16.5%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 85,400		\$ 80,100-\$ 92,700	\$ 87,500		\$ 80,100-\$ 93,400	_____	
3. TOTAL TIME SALES	85,900	100.0%	80,000- 93,200	86,400	100.0%	80,100- 93,500	_____	100%
From:								
4. Networks ^c	0	0.0	0- 600	0	0.0	0- 600	_____	_____
5. National & regional advertisers	7,700	9.0	3,800- 14,000	7,700	8.9	3,700- 13,200	_____	_____
6. Local advertisers	78,200	91.0	69,800- 83,100	78,700	91.1	70,900- 83,600	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 80,800	100.0%	\$ 74,100-\$ 87,700	\$ 76,800	100.0%	\$ 72,000-\$ 83,800	_____	100%
From:								
8. Technical	8,400	10.4	5,900- 10,600	8,300	10.8	5,900- 10,300	_____	_____
9. Program	25,300	31.3	19,000- 29,300	24,800	32.3	18,800- 28,600	_____	_____
10. Selling ^d	13,900	17.2	9,800- 17,000	13,300	17.3	9,400 16,100	_____	_____
11. General & administrative	33,200	41.1	26,700- 38,500	30,400	39.6	25,900- 37,000	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	46,200		40,400- 51,400	45,000		39,900- 51,100	_____	
13. Depreciation & Amortization	4,200		2,800- 6,500	3,700		2,800- 5,400	_____	
14. PROFIT ^f (before Fed- eral income tax)	\$ 6,000		\$ 300-\$ 12,400	\$ 8,400		\$ 4,500-\$ 14,900	_____	

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

^c For only those stations which were affiliated with nationwide networks, the typical network revenue was \$800 with a middle 50% range of \$0-\$2,400; the respective figures for the "profit-only" stations were \$900 and \$0-\$2,500.

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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)

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 ^a		8.2%	(—0.3% loss)-16.3%		11.3%	6.1%-18.4%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 62,600		\$ 56,600-\$ 69,900	\$ 62,600		\$ 56,000-\$ 70,300	_____	
3. TOTAL TIME SALES From:	62,800	100.0%	56,900- 69,900	63,000	100.0%	56,600- 70,300	_____	100%
4. Networks ^c	0	0.0	0- 0	0	0.0	0- 0	_____	_____
5. National & regional advertisers	6,300	10.0	2,600- 10,700	6,100	9.7	2,200- 10,100	_____	_____
6. Local advertisers	56,500	90.0	49,400- 61,900	56,900	90.3	50,200- 61,800	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 58,700	100.0%	\$ 50,300-\$ 66,300	\$ 53,900	100.0%	48,700- 60,600	_____	100%
From:								
8. Technical	6,400	10.9	4,200- 9,300	6,100	11.4	4,000- 9,100	_____	_____
9. Program	18,300	31.1	13,600- 21,200	17,600	32.6	13,300- 20,400	_____	_____
10. Selling ^d	10,000	17.1	6,900- 13,500	8,500	15.8	6,100- 11,000	_____	_____
11. General & administrative	24,000	40.9	17,000- 27,300	21,700	40.2	16,200- 26,700	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	31,800		28,000- 37,400	30,300		26,700- 34,500	_____	_____
13. Depreciation & Amortization	3,400		2,500- 4,900	3,200		2,400- 4,700	_____	_____
14. PROFIT ^f (before Fed- eral income tax)	\$ 4,600		(—\$200 loss)-\$ 10,000	\$ 6,900		\$ 3,900-\$ 12,500	_____	_____

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

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

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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)

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 ^a		4.8% (—0.8% loss)-18.0%			10.7%	4.1%-23.8%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 39,700		\$ 35,600-\$ 45,500	\$ 40,200		\$ 36,600-\$ 45,700	_____	
3. TOTAL TIME SALES	39,500	100.0%	35,300- 45,200	40,100	100.0%	36,800- 45,500	_____	100%
From:								
4. Networks ^c	0	0.0	0- 0	0	0.0	0- 0	_____	_____
5. National & regional advertisers	3,000	7.6	400- 5,300	3,000	7.5	400- 6,000	_____	_____
6. Local advertisers	36,500	92.4	29,200- 41,500	37,100	92.5	30,500- 42,500	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 36,900	100.0%	\$ 29,600-\$ 43,300	\$ 35,200	100.0%	\$ 28,900-\$ 42,000	_____	100%
From:								
8. Technical	4,200	11.4	2,000- 6,100	4,200	11.8	2,000- 5,900	_____	_____
9. Program	13,500	36.6	8,000- 16,500	12,600	35.9	7,100- 16,100	_____	_____
10. Selling ^d	5,200	14.1	2,800- 7,500	5,300	15.1	2,100- 5,000	_____	_____
11. General & administrative	14,000	37.9	9,200- 18,400	13,100	37.2	8,100- 17,500	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	19,400		15,900- 23,700	18,400		14,900- 22,100	_____	_____
13. Depreciation & Amortization	2,500		1,700- 3,600	2,600		1,800- 3,600	_____	_____
14. PROFIT ^f (before Fed- eral income tax)	\$ 2,100	(—\$300 loss)-\$	6,500	\$ 4,500		\$ 1,800-\$ 8,600	_____	_____

^a Derived from each station's gross profit divided by total revenue—NOT line 14 divided by line 2.

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

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

^d Includes all promotion; excludes agency and rep. comm.

^e Total salaries and wages (including supervision) and all talent expense.

^f 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 1960 calendar year. During the year there were approximately 3,538 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 3,313—the total number of operating stations (3,538) minus 113 stations which did not operate throughout the entire 1960 calendar year and, for stations which did operate a full year 1960, 41 educational stations and 71 radio properties located in Alaska, Hawaii and the Territories of the United States. In line with last year's financial survey, the 3,313 stations in the universe include stations which are not members of the NAB and stations which failed to make a profit in 1960.

Usable returns were provided by 1,118 of the 3,313 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 (1,118)	Universe (3,313)
2.5 million or more	51	167	4.6%	5.0%
1 million— 2,499,999	58	121	5.2	3.6
500,000— 999,999	93	283	8.3	8.5
250,000— 499,999	108	307	9.7	9.3
100,000— 249,999	179	466	16.0	14.1
50,000— 99,999	76	152	6.8	4.6
25,000— 49,999	62	214	5.5	6.5
10,000— 24,999	218	607	19.5	18.3
Less than 10,000	273	996	24.4	30.1
Total	1,118	3,313	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 1960. 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 (July, 1960). The Survey of Buying Power's estimates as of January 1, 1960 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^a 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.

^a Eight 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.

