

FINANCIAL REPORT

Radio

NATIONAL ASSOCIATION OF BROADCASTERS

1962

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NATIONAL ASSOCIATION OF BROADCASTERS

1771 N Street, N.W.

Washington 6, D. C.

Department of Broadcast Personnel and Economics

INTRODUCTION

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

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

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

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

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

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

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

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

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PART I NATIONWIDE SUMMARY

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

Highlights

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

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

The typical PROFIT MARGIN was 4.8%

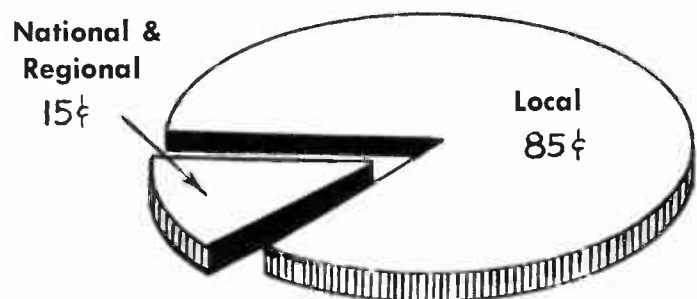
Revenue and Expense Items	Typical Dollar Figures	Typical Percent Figures
TOTAL BROADCAST REVENUE ^a	\$106,200	
TOTAL TIME SALES	102,600	100.0%
From:		
Networks ^b	0	0.0
National & regional advertisers	15,100	14.7
Local advertisers	87,500	85.3
TOTAL BROADCAST EXPENSE	\$101,100	100.0%
From:		
Technical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

^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 \$500.

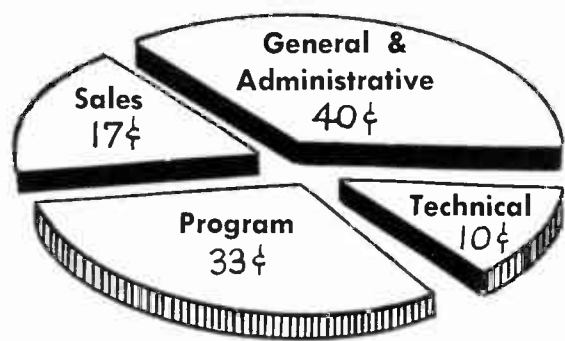
^c Includes all promotion; excludes agency and rep. commissions.

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

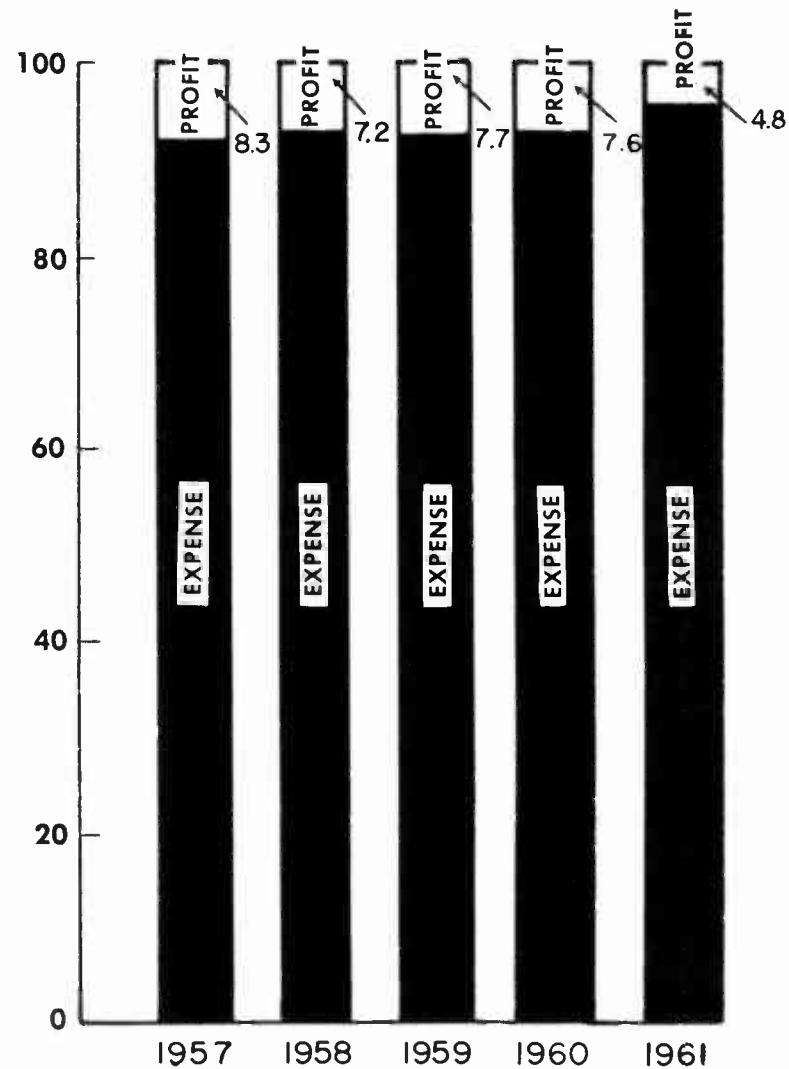


Network: less than 1¢

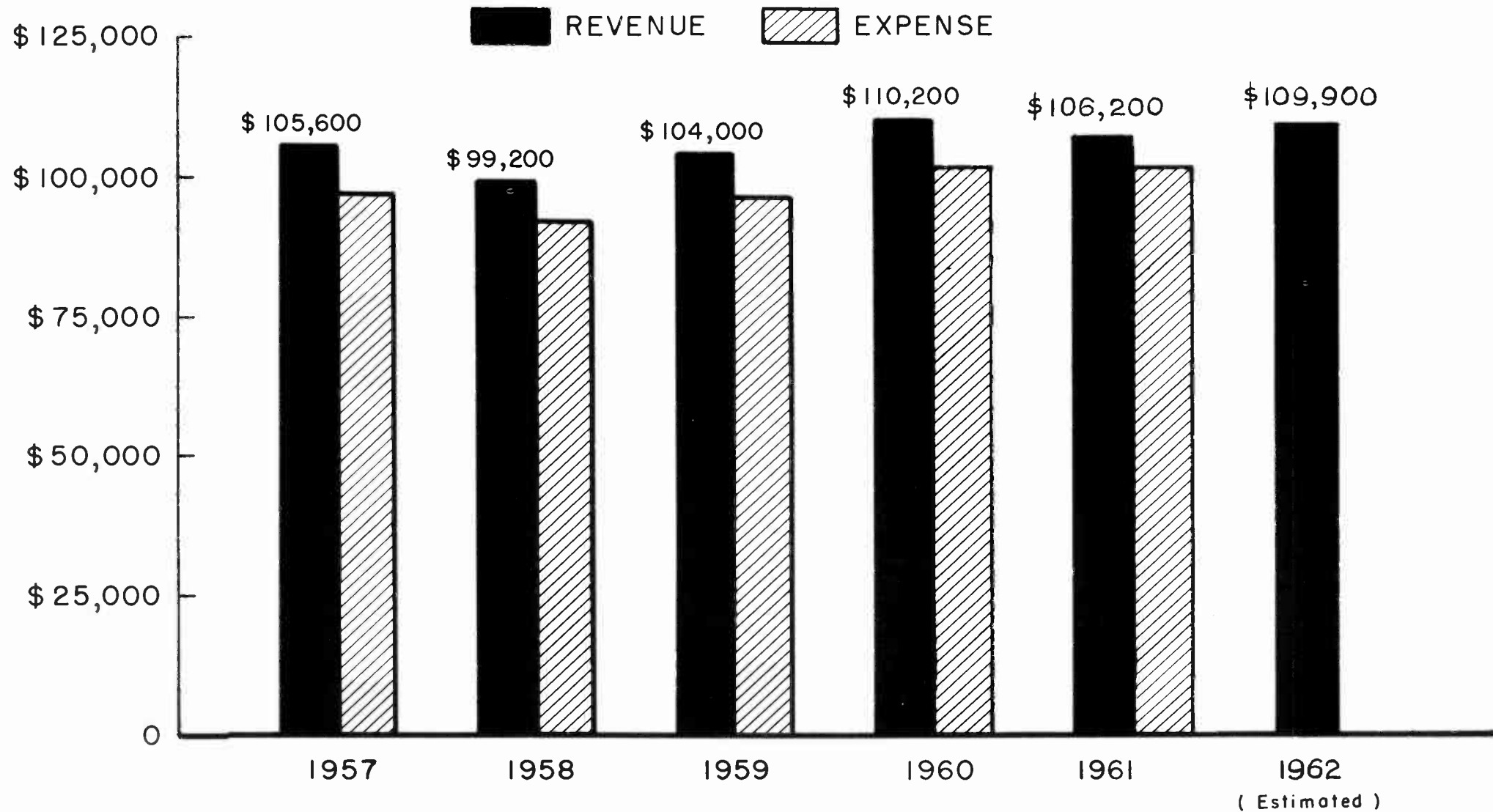
WHERE DOES THE TYPICAL STATION'S EXPENSE DOLLAR GO?



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 1961.
2. **Market-Size Yardsticks . . .** On pages 7-16, you will find financial yardsticks arranged by 9 market-size categories. The largest market-size category (population 2.5 million or more) has been divided by revenue size into two tables—the first with stations of \$1 million or more total revenue, the second for those stations with less than \$1 million total revenue. To determine your market size, use the 1960 United States Census of Population, by states. If your station is located in one of the New England states, use the 1961 population figures in Sales Management's annual *Survey of Buying Power* (May 1961). If your city is located within a standard metropolitan statistical area, use the population of the metropolitan area. See the Appendix for further details on the market-size classification scheme.

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

By not considering market size, this grouping of stations

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

How to USE Your Revenue and Expense Yardsticks

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

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

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

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

REVENUE AND EXPENSE ITEMS 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		23.0%	10.5%-34.4%		24.6%	10.7%-36.8%		____%
2. TOTAL BROADCAST REVENUE ^b	\$2,178,300		\$1,430,200-\$3,214,500	\$2,227,600		\$1,419,800-\$3,429,300	_____	
3. TOTAL TIME SALES	2,406,100	100.0%	1,746,100- 3,682,100	2,504,800	100.0%	1,736,200- 3,894,600	_____	100%
From:								
4. Networks ^c	0	0.0	0- 23,900	0	0.0	0- 26,400	_____	_____
5. National & regional advertisers	1,479,800	61.5	1,054,300- 2,274,700	1,515,400	60.5	1,027,400- 2,350,100	_____	_____
6. Local advertisers	926,300	38.5	360,700- 1,115,200	989,400	39.5	589,800- 1,117,800	_____	_____
7. TOTAL BROADCAST EXPENSE	\$1,677,300	100.0%	\$1,147,800-\$2,126,000	\$1,679,600	100.0%	\$1,116,700-\$2,103,200	_____	100%
From:								
8. Technical	276,800	16.5	170,800- 341,700	275,500	16.4	165,800- 316,500	_____	_____
9. Program	627,300	37.4	448,200- 1,118,800	631,500	37.6	446,300- 1,094,500	_____	_____
10. Selling ^d	322,000	19.2	221,800- 443,700	351,000	20.9	221,000- 459,000	_____	_____
11. General & administrative	451,200	26.9	255,400- 585,100	421,600	25.1	255,300- 590,700	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	712,900		577,900- 880,900	720,500		575,500- 888,600	_____	
13. Depreciation & Amortization	34,600		18,100- 45,100	33,200		16,500- 45,100	_____	
14. PROFIT (before Fed- eral income tax)	\$ 501,000		\$ 173,200-\$ 880,800	\$ 548,000		\$ 251,300-\$ 901,500	_____	

^a Derived from each station's gross profit divided by total revenue.

^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 \$16,200 with a middle 50% range of \$200-\$30,200; the respective figures for the "profit-only" stations were \$21,300 and \$300-\$30,400.

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

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

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

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		7.1%	(-8.7% loss)-14.1%		9.2%	4.8%-14.9%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 256,700		\$ 114,500-\$ 325,200	\$ 256,700		\$ 164,900-\$ 294,200	_____	
3. TOTAL TIME SALES From:	256,700	100.0%	125,000- 324,600	256,700	100.0%	164,900- 310,000	_____	100%
4. Networks ^c	0	0.0	0- 0	0	0.0	0- 0	_____	_____
5. National & regional advertisers	19,500	7.6	0- 117,900	19,500	7.6	0- 106,600	_____	_____
6. Local advertisers	237,200	92.4	113,300- 263,900	237,200	92.4	125,000- 275,100	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 238,500	100.0%	\$ 109,000-\$ 297,600	\$ 233,100	100.0%	\$ 143,300-\$ 261,800	_____	100%
From:								
8. Technical	32,700	13.7	17,200- 42,800	31,900	13.7	17,500- 39,300	_____	_____
9. Program	67,200	28.2	32,900- 99,400	65,700	28.2	39,500- 94,200	_____	_____
10. Selling ^d	40,100	16.8	23,800- 63,800	39,200	16.8	25,000- 57,000	_____	_____
11. General & administrative	98,500	41.3	40,200- 112,300	96,300	41.3	40,200- 112,300	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	132,200		66,900- 164,600	132,400		101,900- 155,500	_____	
13. Depreciation & Amortization	8,500		5,500- 14,200	8,900		6,100- 14,000	_____	
14. PROFIT (before Fed- eral income tax)	\$ 18,200		(-\$3,000 loss)-\$ 27,600	\$ 23,600		\$ 11,000-\$ 40,200	_____	

^a Derived from each station's gross profit divided by total revenue.

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

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

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

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

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

REVENUE AND EXPENSE ITEMS 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		3.8% (—15.7% loss)-14.9%			13.8%	6.8%-30.6%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 477,400		\$ 186,700-\$ 745,200	\$ 679,600		\$ 375,200-\$1,256,600	_____	
3. TOTAL TIME SALES	535,900	100.0%	203,300- 845,400	793,000	100.0%	448,500- 1,533,900	_____	100%
From:								
4. Networks ^c	0	0.0	0- 7,000	0	0.0	0- 3,300	_____	_____
5. National & regional advertisers	239,000	44.6	29,500- 390,200	367,200	46.3	231,400- 865,400	_____	_____
6. Local advertisers	296,900	55.4	139,500- 444,900	425,800	53.7	180,300- 521,200	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 459,300	100.0%	\$ 224,900-\$ 749,500	\$ 585,800	100.0%	\$ 337,000-\$ 962,300	_____	100%
From:								
8. Technical	64,300	14.0	13,900- 118,400	94,300	16.1	27,400- 137,600	_____	_____
9. Program	155,700	33.9	52,500- 231,400	196,200	33.5	104,400- 349,500	_____	_____
10. Selling ^d	100,600	21.9	41,200- 168,000	120,100	20.5	68,900- 210,700	_____	_____
11. General & administrative	138,700	30.2	89,200- 212,000	175,200	29.9	110,200- 286,100	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	262,900		100,300- 390,100	343,800		189,600- 427,200	_____	_____
13. Depreciation & Amortization	17,800		10,100- 28,600	21,100		9,600- 28,000	_____	_____
14. PROFIT (before Fed- eral income tax)	\$ 18,100	(—\$25,800 loss)-\$	70,100	\$ 93,800		\$ 37,300-\$ 302,000	_____	_____

^a Derived from each station's gross profit divided by total revenue.

^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 \$6,700 with a middle 50% range of \$200-\$25,500; the respective figures for the "profit-only" stations were \$1,700 and \$100-\$43,700.

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

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

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		3.8%	(—9.3% loss)-10.4%		8.7%	5.6%-18.2%		—%
2. TOTAL BROADCAST REVENUE ^b	\$ 263,700		\$ 145,100-\$ 435,000	\$ 343,300		\$ 185,600-\$ 509,900		
3. TOTAL TIME SALES	281,900	100.0%	140,900- 480,000	344,200	100.0%	192,700- 577,800		100%
From:								
4. Networks ^c	0	0.0	0- 3,700	0	0.0	0- 8,300		
5. National & regional advertisers	75,800	26.9	19,900- 188,100	124,300	36.1	29,500- 247,900		
6. Local advertisers	206,100	73.1	112,300- 265,600	219,900	63.9	128,600- 290,100		
7. TOTAL BROADCAST EXPENSE	\$ 253,700	100.0%	\$ 138,700-\$ 391,400	\$ 313,400	100.0%	\$ 163,400-\$ 409,800		100%
From:								
8. Technical	30,200	11.9	12,000- 51,100	44,200	14.1	14,500- 51,100		
9. Program	80,900	31.9	39,800- 124,300	103,100	32.9	40,700- 134,700		
10. Selling ^d	54,000	21.3	30,900- 78,900	65,200	20.8	33,900- 84,800		
11. General & administrative	88,600	34.9	54,400- 133,300	100,900	32.2	52,900- 133,300		
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	149,700		84,900- 221,700	183,800		94,300- 237,600		
13. Depreciation & Amortization	13,500		7,000- 26,100	13,600		7,000- 24,500		
14. PROFIT (before Fed- eral income tax)	\$ 10,000		(—\$17,100 loss)-\$ 33,800	\$ 29,900		\$ 12,700-\$ 53,100		

^a Derived from each station's gross profit divided by total revenue.

^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 \$8,300 with a middle 50% range of \$0-\$18,900; the respective figures for the "profit-only" stations were \$10,700 and \$100-\$31,600.

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

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

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

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

^a Derived from each station's gross profit divided by total revenue.

^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 \$600 with a middle 50% range of \$100-\$8,300; the respective figures for the "profit-only" stations were \$100 and \$0-\$9,200.

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

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

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		3.8%	(—4.7% loss)-12.7%		9.3%	4.8%-15.3%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 144,700		\$ 106,600-\$ 201,000	\$ 179,300		\$ 111,100-\$ 231,300	_____	
3. TOTAL TIME SALES	146,300	100.0%	107,900- 208,100	176,400	100.0%	114,700- 237,000	_____	100%
From:								
4. Networks ^c	100	0.1	0- 2,600	100	0.1	0- 2,700	_____	_____
5. National & regional advertisers	31,800	21.7	12,100- 55,000	37,600	21.3	16,400- 73,400	_____	_____
6. Local advertisers	114,400	78.2	76,600- 153,400	138,700	78.6	88,500- 169,800	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 139,200	100.0%	\$ 99,400-\$ 195,100	\$ 162,600	100.0%	\$ 101,200-\$ 203,700	_____	100%
From:								
8. Technical	15,700	11.3	9,300- 27,500	18,500	11.4	9,300- 28,900	_____	_____
9. Program	43,600	31.3	28,700- 63,600	50,900	31.3	29,500- 68,500	_____	_____
10. Selling ^d	27,800	20.0	17,500- 38,300	34,000	20.9	18,400- 46,100	_____	_____
11. General & administrative	52,100	37.4	36,300- 72,800	59,200	36.4	36,400- 79,400	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	82,300		51,500- 110,600	89,500		55,000- 122,800	_____	
13. Depreciation & Amortization	7,600		4,500- 14,400	7,200		4,200- 14,000	_____	
14. PROFIT (before Fed- eral income tax)	\$ 5,500		(—\$5,900 loss)-\$ 19,400	\$ 16,700		\$ 6,400-\$ 29,300	_____	

^a Derived from each station's gross profit divided by total revenue.

^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 \$1,800 with a middle 50% range of \$100-\$6,000; the respective figures for the "profit-only" stations were \$2,000 and \$100-\$5,900.

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

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

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

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

^a Derived from each station's gross profit divided by total revenue.

^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 \$100-\$4,200; the respective figures for the "profit-only" stations were \$900 and \$0-\$3,000.

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

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

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

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

^a Derived from each station's gross profit divided by total revenue.

^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-\$3,700; the respective figures for the "profit-only" stations were \$1,600 and \$0-\$3,700.

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

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

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

REVENUE AND EXPENSE ITEMS 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%	(—1.7% loss)-14.7%		10.3%	5.2%-17.5%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 96,500		\$ 73,600-\$ 125,300	\$ 103,600		\$ 79,700-\$ 134,700	_____	
3. TOTAL TIME SALES	96,500	100.0%	73,000- 128,900	101,500	100.0%	77,900- 134,700	_____	100%
From:								
4. Networks ^c	0	0.0	0- 800	0	0.0	0- 600	_____	_____
5. National & regional advertisers	11,400	11.8	5,100- 19,000	12,300	12.1	5,100- 19,900	_____	_____
6. Local advertisers	85,100	88.2	63,000- 107,000	89,200	87.9	68,500- 111,400	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 91,200	100.0%	\$ 68,400-\$ 118,800	\$ 92,900	100.0%	\$ 63,900-\$ 122,300	_____	100%
From:								
8. Technical	9,700	10.6	6,300- 14,300	9,900	10.7	6,500- 13,300	_____	_____
9. Program	28,200	30.9	20,100- 37,000	29,400	31.6	20,600- 37,800	_____	_____
10. Selling ^d	15,600	17.1	9,300- 22,600	15,900	17.1	9,500- 22,700	_____	_____
11. General & administrative	37,700	41.4	25,500- 50,300	37,700	40.6	24,100- 49,100	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	51,600		37,300- 67,900	52,900		40,100 69,800	_____	
13. Depreciation & Amortization	4,300		2,500- 7,300	4,000		2,400- 7,000	_____	
14. PROFIT (before Fed- eral income tax)	\$ 5,300		(—\$1,200 loss)-\$ 14,500	\$ 10,700		\$ 4,500-\$ 17,600	_____	

^a Derived from each station's gross profit divided by total revenue.

^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 \$400 with a middle 50% range of \$0-\$2,000; the respective figures for the "profit-only" stations were \$300 and \$0-\$1,900.

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

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

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		6.4%	0.6%-14.7%		9.4%	4.5%-17.4%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 61,500		\$ 45,700-\$ 81,200	\$ 64,300		\$ 48,200-\$ 84,000	_____	
3. TOTAL TIME SALES	62,400	100.0%	46,000- 81,800	64,900	100.0%	48,400- 85,200	_____	100%
From:								
4. Networks ^c	0	0.0	0- 0	0	0.0	0- 0	_____	_____
5. National & regional advertisers	5,600	9.0	1,600- 9,900	5,600	8.6	1,700- 10,500	_____	_____
6. Local advertisers	56,800	91.0	41,400- 73,100	59,300	91.4	42,700- 77,900	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 57,600	100.0%	\$ 41,300-\$ 74,500	\$ 58,300	100.0%	\$ 41,300-\$ 75,600	_____	100%
From:								
8. Technical	6,800	11.9	3,700- 9,400	6,800	11.7	3,700- 9,400	_____	_____
9. Program	18,000	31.2	12,100- 23,800	18,400	31.6	12,400- 24,400	_____	_____
10. Selling ^d	8,900	15.4	5,500- 13,300	8,700	14.9	5,400- 13,000	_____	_____
11. General & administrative	23,900	41.5	14,600- 30,500	24,400	41.8	14,700- 31,000	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	31,200		22,000- 43,100	31,200		21,900- 44,000	_____	
13. Depreciation & Amortization	3,200		2,300- 5,000	3,200		2,200- 4,800	_____	
14. PROFIT (before Fed- eral income tax)	\$ 3,900		\$ 300-\$ 9,700	\$ 6,000		\$ 2,700-\$ 11,900	_____	

^a Derived from each station's gross profit divided by total revenue.

^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-\$1,200; the respective figures for the "profit-only" stations were \$200 and \$0-\$1,100.

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

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

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		25.3%	10.7%-35.9%		26.7%	13.9%-36.6%		____%
2. TOTAL BROADCAST REVENUE ^b	\$1,419,800		\$ 930,000-\$2,259,600	\$1,440,600		\$ 975,500-\$2,298,800	_____	
3. TOTAL TIME SALES	1,692,500	100.0%	1,050,800- 2,504,800	1,714,400	100.0%	1,118,600- 2,630,300	_____	100%
From:								
4. Networks ^c	1,700	0.1	0- 26,400	0	0.0	0- 26,600	_____	_____
5. National & regional advertisers	1,093,300	64.6	640,600- 1,418,100	1,116,100	65.4	663,600- 1,415,900	_____	_____
6. Local advertisers	597,500	35.3	385,000- 962,000	598,300	34.9	391,500- 978,700	_____	_____
7. TOTAL BROADCAST EXPENSE	\$1,060,600	100.0%	\$ 745,200-\$1,642,400	\$1,056,000	100.0%	\$ 734,100-\$1,609,900	_____	100%
From:								
8. Technical	173,900	16.4	116,100- 236,400	173,200	16.4	115,600 236,300	_____	_____
9. Program	400,900	37.8	248,600- 618,900	405,500	38.4	245,500- 611,300	_____	_____
10. Selling ^d	210,000	19.8	135,000- 280,800	207,000	19.6	135,700- 288,500	_____	_____
11. General & administrative	275,800	26.0	197,600- 442,400	270,300	25.6	203,900- 446,900	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	584,900		433,500- 779,400	610,300		428,700- 783,200	_____	
13. Depreciation & Amortization	31,100		17,000- 44,300	30,300		16,900- 43,400	_____	
14. PROFIT (before Fed- eral income tax)	\$ 359,200		\$ 147,100-\$ 609,000	\$ 384,600		\$ 239,000-\$ 626,200	_____	

^a Derived from each station's gross profit divided by total revenue.

^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 \$15,000 with a middle 50% range of \$300-\$31,300; the respective figures for the "profit-only" stations were \$15,600 and \$300-\$33,600.

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

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

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		8.4% (—2.4% loss (-1%6.3			11.5%	7.4%-23.7%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 578,200		\$ 536,800-\$ 675,100	\$ 567,500		\$522,300-\$ 675,200	_____	
3. TOTAL TIME SALES	679,100	100.0%	626,200- 756,100	674,000	100.0%	612,600- 757,900	_____	100%
From:								
4. Networks ^c	0	0.0	0- 26,800	0	0.0	0- 12,100	_____	_____
5. National & regional advertisers	338,900	49.9	257,600- 415,300	309,400	45.9	241,800- 386,200	_____	_____
6. Local advertisers	340,200	50.1	266,700- 419,100	364,600	54.1	265,300- 431,700	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 529,600	100.0%	\$ 455,800-\$ 659,000	\$ 502,200	100.0%	\$ 439,100-\$ 547,400	_____	100%
From:								
8. Technical	70,400	13.3	43,800- 119,300	51,700	10.3	34,400- 94,300	_____	_____
9. Program	177,900	33.6	127,600- 206,600	163,200	32.5	118,800- 186,100	_____	_____
10. Selling ^d	115,500	21.8	88,800- 156,500	117,500	23.4	78,200- 148,700	_____	_____
11. General & administrative	165,800	31.3	134,800- 190,000	169,800	33.8	125,800- 186,100	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	306,300		255,300- 378,700	272,900		246,200- 323,400	_____	
13. Depreciation & Amortization	22,700		14,400- 31,900	21,600		14,300- 27,300	_____	
14. PROFIT (before Federal income tax)	\$ 48,600	(—\$15,900 loss)-\$	95,600	\$ 65,300		\$ 40,900-\$ 125,200	_____	

^a Derived from each station's gross profit divided by total revenue.

^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 \$13,400 with a middle 50% range of \$100-\$37,900; the respective figures for the "profit-only" stations were \$13,400 and \$100-\$40,400.

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

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

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		8.2%	3.2%-13.3%		10.1%	7.2%-14.1%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 393,300		\$ 332,700-\$ 427,500	\$ 390,900		\$ 327,400-\$ 425,700	_____	
3. TOTAL TIME SALES	424,700	100.0%	349,700- 496,100	418,100	100.0%	339,600- 480,000	_____	100%
From:								
4. Networks ^c	0	0.0	0- 4,300	0	0.0	0- 7,400	_____	_____
5. National & regional advertisers	151,600	35.7	80,300- 214,400	149,300	35.7	103,600- 221,800	_____	_____
6. Local advertisers	273,100	64.3	201,300- 297,300	268,900	64.3	192,100- 291,200	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 361,000	100.0%	\$ 299,800-\$ 410,700	\$ 351,400	100.0%	\$ 291,300-\$ 411,400	_____	100%
From:								
8. Technical	50,200	13.9	35,400- 67,700	48,900	13.9	31,000- 63,900	_____	_____
9. Program	111,500	30.9	92,500- 130,600	111,000	31.6	85,200- 126,000	_____	_____
10. Selling ^d	74,700	20.7	58,800- 86,600	73,800	21.0	56,700- 84,800	_____	_____
11. General & administrative	124,600	34.5	93,800- 144,600	117,700	33.5	85,800- 133,300	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	211,700		174,100- 240,200	207,200		168,900- 233,500	_____	
13. Depreciation & Amortization	14,500		8,900- 23,400	13,100		8,000- 19,700	_____	
14. PROFIT (before Fed- eral income tax)	\$ 32,300		\$ 11,300-\$ 50,800	\$ 39,500		\$ 26,100-\$ 52,900	_____	

^a Derived from each station's gross profit divided by total revenue.

^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 \$2,400 with a middle 50% range of \$100-\$10,700; the respective figures for the "profit-only" stations were \$2,100 and \$100-\$10,000.

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

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

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

REVENUE AND EXPENSE ITEMS 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		6.1%	(—2.0% loss)-13.0%		8.3%	5.5%-15.8%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 240,300		\$ 222,600-\$ 267,300	\$ 248,100		\$ 226,100-\$ 271,500		
3. TOTAL TIME SALES From:	251,700	100.0%	226,400- 281,200	256,500	100.0%	231,100- 287,900		100%
4. Networks ^c	0	0.0	0- 4,000	0	0.0	0- 2,100		
5. National & regional advertisers	39,200	27.5	30,300- 102,300	66,900	26.1	27,800- 105,600		
6. Local advertisers	182,500	72.5	153,800- 210,900	189,600	73.9	157,900- 213,200		
7. TOTAL BROADCAST EXPENSE From:	\$ 225,600	100.0%	\$ 203,000-\$ 258,600	\$ 227,500	100.0%	\$ 197,900-\$ 243,800		
8. Technical	29,300	13.0	21,200- 40,900	29,400	12.9	21,100- 37,600		100%
9. Program	67,000	29.7	57,100- 82,400	66,200	29.1	51,900- 76,600		
10. Selling ^d	43,800	19.4	35,800- 53,400	45,700	20.1	35,300- 49,600		
11. General & administrative	85,500	37.9	66,900- 99,800	86,200	37.9	65,900- 93,800		
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	133,000		113,900- 153,300	129,000		110,500- 146,200		
13. Depreciation & Amortization	11,400		7,900- 20,900	10,900		7,700- 20,200		
14. PROFIT (before Fed- eral income tax)	\$ 14,700		(—\$4,300 loss)-\$ 30,900	\$ 20,600		\$ 13,100-\$ 38,700		

^a Derived from each station's gross profit divided by total revenue.

^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 \$100-\$7,000; the respective figures for the "profit-only" stations were \$300 and \$0-\$4,900.

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

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

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

REVENUE AND EXPENSE ITEMS 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		4.2%	(-4.1% loss)-13.2%		11.1%	3.9%-15.0%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 171,100		\$ 160,200-\$ 184,700	\$ 172,500		\$ 161,000-\$ 185,800		
3. TOTAL TIME SALES	178,000	100.0%	163,000- 190,700	178,000	100.0%	160,000- 189,600		100%
From:								
4. Networks ^c	0	0.0	0- 3,100	0	0.0	0- 1,800		
5. National & regional advertisers	34,000	19.1	20,700- 51,800	32,200	18.1	19,100- 48,500		
6. Local advertisers	144,000	80.9	116,100- 155,800	145,800	81.9	120,900- 157,600		
7. TOTAL BROADCAST EXPENSE	\$ 163,900	100.0%	\$ 145,600-\$ 181,200	\$ 153,400	100.0%	\$ 140,300-\$ 171,700		100%
From:								
8. Technical	18,000	11.0	12,000- 25,500	16,600	10.8	11,300- 24,500		
9. Program	52,300	31.9	41,800- 60,300	49,800	32.5	38,900- 58,000		
10. Selling ^d	30,200	18.4	24,600- 38,000	28,400	18.5	23,000- 33,700		
11. General & administrative	63,400	38.7	48,900- 75,200	58,600	38.2	46,400- 69,000		
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	95,300		85,000 109,000	90,600		82,300- 103,700		
13. Depreciation & Amortization	7,600		5,000- 12,900	7,200		4,400- 9,700		
14. PROFIT (before Fed- eral income tax)	\$ 7,200		(-\$6,200 loss)-\$ 22,000	\$ 19,100		\$ 6,800-\$ 27,000		

^a Derived from each station's gross profit divided by total revenue.

^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 \$1,500 with a middle 50% range of \$0-\$5,800; the respective figures for the "profit-only" stations were \$1,400 and \$0-\$5,100.

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

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

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

REVENUE AND EXPENSE ITEMS 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		5.0%	(—3.0% loss)-10.5%		7.6%	5.1%-14.1%		____%
2. TOTAL BROADCAST REVENUE ^b	\$ 137,000		\$ 129,800-\$ 143,500	\$ 137,100		\$ 130,400-\$ 144,400	_____	
3. TOTAL TIME SALES	137,600	100.0%	131,800- 145,700	136,900	100.0%	131,500- 143,800	_____	100%
From:								
4. Networks ^c	0	0.0	0- 1,500	0	0.0	0- 1,800	_____	_____
5. National & regional advertisers	21,800	15.8	13,200- 35,600	20,000	14.6	8,500- 30,000	_____	_____
6. Local advertisers	115,800	84.2	104,500- 124,300	116,900	85.4	105,500- 125,400	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 130,100	100.0%	\$ 121,000-\$ 145,100	\$ 126,700	100.0%	\$ 117,700-\$ 131,900	_____	100%
From:								
8. Technical	12,800	9.8	8,900- 21,600	12,700	10.0	8,800- 18,100	_____	_____
9. Program	42,900	33.0	34,500- 47,200	41,000	32.4	32,600- 45,900	_____	_____
10. Selling ^d	25,200	19.4	20,500- 31,500	25,600	20.2	18,300- 29,300	_____	_____
11. General & administrative	49,200	37.8	40,200- 61,400	47,400	37.4	36,400- 51,600	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	76,100		68,200- 86,900	71,900		64,000- 81,000	_____	
13. Depreciation & Amortization	7,300		4,400- 12,700	5,700		2,900- 10,000	_____	
14. PROFIT (before Fed- eral income tax)	\$ 6,900		(—\$7,000 loss)-\$ 13,500	\$ 10,400		\$ 7,400-\$ 19,100	_____	

^a Derived from each station's gross profit divided by total revenue.

^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-\$5,400; the respective figures for the "profit-only" stations were \$400 and \$0-\$3,200.

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

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

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

REVENUE AND EXPENSE ITEMS 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	4.1% (—2.4% loss)-11.5%			8.1% 4.0%-14.1%			_____ %	
2. TOTAL BROADCAST REVENUE ^b	\$ 111,000		\$ 107,100-\$ 117,700	\$ 110,500		\$ 107,200-\$ 117,100	_____	
3. TOTAL TIME SALES From:	112,700	100.0%	105,200- 118,000	110,600	100.0%	105,000- 115,600	_____	100%
4. Networks ^c	0	0.0	0- 600	0	0.0	0- 100	_____	_____
5. National & regional advertisers	15,800	14.0	8,000- 22,400	15,200	13.8	8,100- 21,100	_____	_____
6. Local advertisers	96,900	86.0	85,600- 102,600	95,400	86.2	85,600- 104,400	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 106,400	100.0%	97,400- 117,000	\$ 101,500	100.0%	\$ 94,400-\$ 109,000	_____	100%
From:								
8. Technical	11,000	10.3	7,800- 15,800	10,900	10.7	7,500- 14,300	_____	_____
9. Program	34,000	32.0	26,600- 39,100	32,600	32.1	24,800- 36,800	_____	_____
10. Selling ^d	18,700	17.6	14,600- 23,900	17,200	17.0	13,200- 21,900	_____	_____
11. General & administrative	42,700	40.1	34,000- 51,800	40,800	40.2	33,100- 47,400	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	61,300		53,500- 68,300	57,500		51,700- 65,000	_____	_____
13. Depreciation & Amortization	5,700		3,800- 8,300	5,000		3,400- 7,200	_____	_____
14. PROFIT (before Fed- eral income tax)	\$ 4,600	(—\$2,700 loss)-	\$ 12,600	\$ 9,000		\$ 4,500-\$ 15,500	_____	_____

^a Derived from each station's gross profit divided by total revenue.

^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-\$2,200; the respective figures for the "profit-only" stations were \$100 and \$0-\$1,800.

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

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

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

REVENUE AND EXPENSE ITEMS 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% (—3.5% loss)-12.1%			9.9% 5.1%-17.4%			_____ %	
2. TOTAL BROADCAST REVENUE ^b	\$ 86,500		\$ 80,700-\$ 94,400	\$ 88,100		\$ 81,100-\$ 95,100	_____	_____
3. TOTAL TIME SALES From:	87,300	100.0%	80,900- 94,200	88,300	100.0%	81,800- 94,900	_____	100%
4. Networks ^c	0	0.0	0- 500	0	0.0	0- 800	_____	_____
5. National & regional advertisers	9,000	10.3	4,300- 15,500	9,200	10.4	4,100- 15,100	_____	_____
6. Local advertisers	78,300	89.7	68,700- 84,000	79,100	89.6	69,000- 84,600	_____	_____
7. TOTAL BROADCAST EXPENSE	\$ 82,800	100.0%	\$ 75,700-\$ 92,400	\$ 79,400	100.0%	\$ 70,300-\$ 86,800	_____	100%
From:								
8. Technical	8,500	10.3	6,200- 11,500	8,300	10.5	5,700- 10,100	_____	_____
9. Program	25,600	30.9	21,100 30,600	25,500	32.1	19,200- 29,600	_____	_____
10. Selling ^d	14,000	16.9	9,500 19,000	12,300	15.5	8,700- 17,000	_____	_____
11. General & administrative	34,700	42.0	26,400- 41,000	33,300	41.9	25,200- 38,000	_____	_____
SELECTED EXPENSE ITEMS								
12. Total Salaries ^e	48,600		41,000- 54,500	45,800		38,700- 51,000	_____	_____
13. Depreciation & Amortization	4,600		2,800- 6,800	3,900		2,500- 5,400	_____	_____
14. PROFIT (before Fed- eral income tax)	\$ 3,700	(—\$2,900 loss)-\$ 10,600		\$ 8,700	\$ 4,200-\$ 14,700		_____	_____

^a Derived from each station's gross profit divided by total revenue.

^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 \$600 with a middle 50% range of \$0-\$2,400; the respective figures for the "profit-only" stations were \$600 and \$0-\$2,400.

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

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

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

^a Derived from each station's gross profit divided by total revenue.

^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 \$700 with a middle 50% range of \$0-\$4,100; the respective figures for the "profit-only" stations were \$500 and \$100-\$4,500.

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

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

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

REVENUE AND EXPENSE ITEMS 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	2.2% (—5.7% loss)-11.4%				9.3% 3.6%-17.9%				_____ %	
2. TOTAL BROADCAST REVENUE ^b	\$ 41,400		\$ 33,400-\$	45,600	\$ 41,400		\$ 34,500-\$	45,700	_____	
3. TOTAL TIME SALES From:	41,500	100.0%	33,330-	45,900	41,600	100.0%	33,900-	46,100	_____	100%
4. Networks ^c	0	0.0	0-	0	0	0.0	0-	0	_____	_____
5. National & regional advertisers	2,600	6.3	100-	6,000	2,700	6.5	500-	5,900	_____	_____
6. Local advertisers	38,900	93.7	29,200-	42,000	38,900	93.5	29,800-	42,700	_____	_____
7. TOTAL BROADCAST EXPENSE From:	\$ 40,500	100.0%	\$ 31,400-\$	45,400	\$ 37,600	100.0%	\$ 27,500-\$	41,300	_____	100%
8. Technical	4,500	11.1	2,300-	6,100	4,600	12.3	2,100-	5,700	_____	_____
9. Program	14,000	34.5	9,500-	16,100	13,000	34.7	8,200-	15,100	_____	_____
10. Selling ^d	6,400	15.9	3,400-	7,700	5,800	15.3	2,300-	7,100	_____	_____
11. General & administrative	15,600	38.5	9,900-	20,000	14,200	37.7	9,500-	16,100	_____	_____
SELECTED EXPENSE ITEMS										
12. Total Salaries ^e	21,500		16,900-	26,500	20,600		16,300-	24,300	_____	_____
13. Depreciation & Amortization	2,800		1,900-	3,800	2,400		1,400-	3,300	_____	_____
14. PROFIT (before Fed- eral income tax)	\$ 900	(—\$2,200 loss)-\$	4,300		\$ 3,800		\$ 1,600-\$	7,500	_____	_____

^a Derived from each station's gross profit divided by total revenue.

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

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

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

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

APPENDIX

1. Coverage of the Sample

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

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

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

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

2. Market-Size and Revenue-Size Classification Scheme

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

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

A. Market-Size Classification Scheme

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

B. Revenue-Size Classification Scheme

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

3. Statistical Problems

A. Median

The "typical" figures in each table are medians or the middle figure ($\frac{n+1}{2}$) after ranking the stations in a particular category on a particular revenue or expense item. Thus, 50% of the stations have revenue figures which are above, or equal to, and 50% of the station revenue figures are below, or equal to, the "typical" revenue figures in the tables. Likewise, 50% of the stations have expense figures which are above, or equal to, and 50% of the station expense figures are below, or equal to, the "typical" expense figures in the tables. Medians rather than averages (means) were used due to the relatively small number of items involved in each grouping^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.

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

B. Middle 50%

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

^a Twelve station groupings were based on less than 50 questionnaire returns.

C. Profit Margin

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

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

D. Nationwide Figures

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

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

E. Exclusions

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

