



ECONOMIC IMPACT SURVEY

SUMMARY STATEMENT

February 17, 2009

This Economic Impact Survey was sent to the 75 members of ERPM ten days ago. Forty-four stations have replied, a response rate of 59%. The following is a Summary Statement of the 44 responses which is reflective of the total membership. All data are expressed as a percentage.

LICENSEE TYPE:

University	Community	State/Local Authority
66%	25%	9%

STATION FORMAT:

News/Info	News/Music	Music
23%	52%	25%

HOW DOES THIS YEAR'S BUDGET COMPARE TO LAST YEAR'S?

No Change	Decrease	Increase	N/A
18%	65%	16%	0

HOW DO THE VARIOUS REVENUE STREAMS COMPARE TO LAST YEAR?

REVENUE STREAMS	No Change	Decrease	Increase	N/A
Underwriting	11%	77%	11%	0
Membership/Individual Giving	23%	50%	27%	0
State Funding	14%	36%	0	48%
University Cash Support	16%	32%	2%	48%
Foundations/Grants	32%	51%	7%	11%
Other (vehicle donations, auctions, etc.)	27%	37%	29%	7%

- Underwriting: 77% of stations reported a decrease. Of those, three-fourths say the decline will be by 10% or more.
- Membership: As compared to underwriting, fewer stations anticipate as great a decrease (50% compared to 77%) and more are expecting either no change or an increase. Of the 50% reporting a decrease, half say it will be by 10% or more.
- State Funding: Half the stations receive no state funding. Of those who do receive state funding, 60% expect a decline of 10% or more.
- University Cash Support: Half do not receive any cash support. Of those that do receive cash support, half anticipate a decrease of 10% or more.
- Foundations: Half report a decrease. Of those, three-fourths anticipate a decline of 10% or more.

DO YOU ANTICIPATE ANY STAFF CHANGES IN THE NEXT 12 MONTHS?

No Change	Lay Off	Add Staff
50%	41%	7%

DO YOU ANTICIPATE ANY PROGRAM CHANGES IN THE NEXT 12 MONTHS?

No Change	Drop National	Drop Local	Add National	Add Local
57%	34%	5%	2%	2%

VERBATIM COMMENTS

HOW WILL THE ECONOMY IMPACT YOUR STATION'S MISSION, PUBLIC SERVICE INITIATIVES AND COMMUNITY ENGAGEMENT ACTIVITIES?

- ▶ If we begin to see a dramatic decline in revenue from listeners and underwriters in the coming months, we're going to be in big trouble because we already operate on a very thin margin. To achieve even a 10% reduction in costs means letting people go, canceling live local music programming and reducing the amount of local news coverage. We become what we don't want to be, a fancy conduit for national programming. Cuts beyond 10% start a vicious cycle, as the quality of the programming suffers and our ability to raise money is compromised. We've found that people increase their gifts to us because they believe we are unique and important to the region. Once we lose that uniqueness and sense of importance, how do we get it back?
- ▶ What these data don't show is that last year was down from the year before, which was down from the year before that.
- ▶ The nationals should recognize the situation and proactively reduce costs.
- ▶ We are in a planning mode to guarantee the future of the station.
- ▶ The mission will not be impacted but our ability to produce significant projects in support of the mission will suffer. We will have less money to do outreach and, possibly, to produce programs for the community (e.g. Kids Jazz Concert series).
- ▶ We would never have chosen this path. But now that we are here, the downturn offers the chance to re-think how we do things, re-prioritize what really matters, and re-position our stations with listeners who had grown accustomed to taking it for granted. Our mission remains unchanged, but we know it's going to take longer to get where we want to be; our public service commitment hasn't lessened, but we have to be more selective in how we use our resources right now; and our community engagement remains a high priority, but we are being forced to look for the most effective ways to engage.
- ▶ Fewer people are being asked to do the same amount. That is not sustainable.
- ▶ It forces us to be better community partners, better programmers and to dig deep to build relationships with our licensee and the community at large. This is not a bad thing.
- ▶ This severely reduces our news and public affairs production, forces us to drop some programming, pushes existing staff to limits to continue to run two stations, a radio reading service and three HD services.

▶ The main determining factor for our station will be whether or not underwriting holds up. At the middle of our fiscal year we were right where we were supposed to be. If underwriting tanks we don't know whether or not we can make up for it with donor contributions. Worst case scenario: we would have to lay-off one and a half FTE's and cut back on our programming a bit. Some national programs might have to be trimmed back, too. Any reduction is a devastating blow to local programming...and national programming could suffer as well.

▶ We will not drop any programs, but we will reduce News Department staff and fundraising staff. This means less local news, and fewer events and partnerships with other not-for-profits.

▶ We have been able to do very little substantive programming or any public service initiatives over and above a regular schedule of covering local news and inserting it into the newsmagazines. Over the past year we are short 3 positions from our usual 12 person staff.

▶ With less staff we will need to automate more, which puts us at risk of not being able to respond as quickly during a breaking news situation.

▶ Efforts such as community engagement will start to slow as corporations tighten their purses.

▶ We anticipate delaying some in-house programming initiatives. Expansion (signal and satellite studio) plans are still moving forward utilizing some reserve funds, but may have to curtail if funds will be needed to supplement declining revenue.

▶ Our biggest project, which desperately needs to be completed, is our new facility (studios/offices). I anticipate that we will have to delay the project by at least a year. The Fall was good to us in terms of initial commitments to the project at least, but this will probably slow down. In terms of programming, most at risk are programs from NPR and the possibility of not being able to fund our local/regional news and cultural affairs positions. So far, we've actually done a little better than last year but, as they say, past performance is no guarantee....Fortunately we had already made substantial cuts going into this year so this is cushioning us a bit against the current economy.

▶ The state's worst natural disaster in modern times did nothing to lighten the work load, but, we're glad to at least have work and adequate membership support.

▶ So far we are holding our own in all revenue areas - if current trends continue, we should see a small growth in listener sensitive revenue. What we're worried about is the period beginning July 1. The question no one can answer is: how will our revenue picture change over the next six months? Who can plan next year's budget in these circumstances?