



ECONOMIC IMPACT SURVEY

February 17, 2009

VERBATIM COMMENTS

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

It will just make it more of a challenge

Fewer people are being asked to do the same amount. That is not sustainable.

We will scale back community service and become more selective

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.

So far, revenues have been close to our (relatively low) targets. We had a lot of room to grow in terms of membership support. Now that we're aggressively pursuing additional gifts and renewals by mail, our revenue is actually a bit above goal. We set low underwriting targets because of the economy, and we're slightly below those goals year to date. The biggest potential concern is our annual wine tasting, which typically brings in over \$80K of gross revenue and around \$40K net. We've already had to delay the event in part because of the economy--and we don't yet know if we'll be able to meet our revenue targets in this area.

We are anticipating a decrease - if not a complete loss - of direct state funding. At the same time, we are cautiously hopeful that some long-overdue changes in Membership, Underwriting and general Development activities will soften the blow of this possible loss. Since, to an extent, the station's Development activities had been underperforming for a number of years, we're also cautiously optimistic that renewed marketing and revenue-generation efforts will help counter what we expect to be a difficult year. Since we returned Morning Edition to its schedule after a 5-year absence, we are hopeful this, also, will attract more listeners, contributors and underwriters...thereby helping to both counter budget woes and increase our ability to provide public service and community engagement activities. We are working with our licensee and Community Advisory Board to expand community involvement via our 20th anniversary celebration. This is somewhat of a challenge since we serve several

relatively large population centers, but its studios and offices are located a fair distance from them all.

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. We have an on-air drive now, which ends Feb. 14th which is on track to meet its goal and may exceed it. We have some savings because we budgeted for a larger salary increase than will actually happen. If underwriting tanks we don't know whether or not we can make up for it with donor contributions. Worse case scenario we would have to lay-off one and a half FTE's and cut back on our programming a bit. We'd also have to delay hiring one new FTE in the new fiscal year. Some national programs might have to be trimmed back too. Right now we are planning on making that hire and do not plan any lay-offs. Any reduction is a devastating blow to local programming and expanded 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 less events and partnerships with other not-for-profits.

Uncertain at this time. Co-licensed television station is likely facing a cut in state funding. How that plays out internally will determine the radio station's budget.

We have had to surrender our Morning Edition host position to University cuts. We are also delaying hiring a PD as the station would have to fund an Ops Assistant position IF we hired a fulltime PD. We anticipate a retirement in December will allow us to make that change unless the University and state become flush with money before then. We have lost our fulltime Chief Engineer to retirement and lost most of his salary line for the current and upcoming fiscal years (we encumbered enough money for him to be an on-call engineer). 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.

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).

If we begin to see a dramatic decline in revenue from listeners and underwriters in the coming month, 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 and 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?

We would never have chosen this path (had anybody asked us!). 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 lessens, 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. More than any other single opportunity, the downturn has given us the chance - a plausible reason, really - to stop following the maxim of "Always be positive in your fundraising." We instead are starting to use the maxim, "Always be honest in what you say when you talk with donors." There IS a world of difference between those two maxims...and many donors are responding well to honest, frank discussion of where we stand. We blew through our mid-year goals, despite the economy. We know the biggest challenge lies in the third and fourth quarters of our fiscal year, but we intend to remain honest and frank in our dialogue with listeners.

As long as corporate support (underwriting) and listener support remains stable, we anticipate continued growth. Slow ... but growth all the same.

Our station will need to pull back on community engagement activities including recording lectures for broadcast, live performances on our Classical Network, and listener gatherings. 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. While we may drop some national programs, we may increase the number of hours we broadcast national streams as a replacement for local announcers at certain times of the day.

We've shaved our outreach/community engagement events a bit; will only do events with sponsorship which gives us a good range of activities -- couple of national host visits and StoryCorps in June...

Our budget was based on an increase in membership and underwriting. while we are close to what we did last year....our goals for this year were higher...making flat year to year revenue a big loss from we planned

The loss of national programming will negatively impact our public service. We plan to reduce salaries and benefits before laying anybody off, and this will have a negative effect on morale. It might also lead to some staff looking for other jobs.

Efforts such as community engagement will start to slow as corporations tighten their purses. No change in public service initiatives. No change scheduled for programming.

We are likely to have less local news reporting and may lose our talk show. Our community engagement activities take staff time but rarely money, and I see us actually increasing in that area and recruiting volunteers to help.

We will be pulling back in our locally produced, live music programming and will be losing about 2/3 of the funding we had in a literary show collaboration with the County Libraries, which is also receiving cuts.

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 initiatives and activities were scheduled before the downturn and we have not had to cancel any of our agreements (e.g. StoryCorps). The real test for us will be for FY10 when we learn from the university if we will continue to have a hiring freeze or if there will be a major adjustment in university cash support. It could be another two weeks before we learn this information.

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 (Fresh Air, for example), 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

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.

We're doing a lot of praying and have thus far been very appreciative and proud of the support shown to us by our licensee and other stakeholders.

In general I would like to see CPB find a way to work with Congress (if that's what it will take) so that it can stop investing in new initiatives (at least for the time being) and invest as much money as it can (at least for the next few years) in stations.

We do not receive any support from the State or from the University.

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.

We are in a planning mode to guarantee the future of the station.

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?

In addition to potential layoffs this year (not confirmed yet) we have had a hiring freeze in place for the past five months. We have not filled five positions that were vacated or in the budget this year

We've hired additional development people to increase underwriting

Please note that we're early in the fiscal year (Oct - Sept) so my revenue numbers are guesses. We've done some preemptive belt tightening, and are leaving some positions vacant to create some salary recapture. We're hoping to maintain our staff as is. Wish I knew where the bottom was, it's not easy to set a course in stormy weather.

The nationals should recognize the situation and proactively reduce costs.

I'm trying to make reasonable projections, but it's almost impossible at this point. If the economy continues as it is currently, I'll probably have 2 layoffs, and may drop some national programming. Even the 10% budget reduction depends so much on how development activities go. I'm optimistic that membership will stay flat, but even if that happens, we'll be down almost 10% overall. What these data don't show is that last year was down from the year before, which was down from the year before that. That's a large part of why we changed format a year ago.

Our Foundation giving was very high in the past year and a half, due to a capital project, so we do not anticipate growth in that area. But we are emphasizing Leadership Annual Gifts and Major Donor Gifts now that we have help from the university's central development office.

Uncertainty is our current cloud.