

Building Stronger Stations

*Progress Toward Goals for
Audience Service, Financial Support,
New Channels, and Partnerships*

By Thomas J. Thomas & Theresa R. Clifford

Uncertainty over future federal funding for public broadcasting during the 1995 “Gingrich crisis” had a powerful focusing effect, directing attention to stations’ financial capacities and operating efficiencies as never before.

Even absent the debate on Capitol Hill, however, most SRG member stations had reached a point in their development where bold steps toward new capacities and organizational arrangements were timely and appropriate. To fulfill ambitions of significance in the life of their communities, it was clear that SRG stations

STATION RESOURCE GROUP 6935 Laurel Avenue Takoma Park, MD 20912
301.270.2617 FAX 301.270.2618 WWW.SRG.ORG

SRG’s forty-six member licensees operate 164 public radio stations, account for over a third of public radio’s audience and financial support, and produce the majority of public radio’s national programming. SRG informs station leaders with in-depth analysis and long-term planning, fosters dialogue, connections and collaborations among stations, and works for legislative, regulatory, and funding policies that advance public radio nationwide.

Copyright © 2000 by Station Resource Group

needed to grow stronger as organizations. In our shared analysis, this required matching a continuing high level of performance in programming and audience service with comparable efforts in financial and organizational development.

In early 1996 we published a multi-year action plan, *Stronger Stations, Stronger Service*. We outlined several targets we sought to achieve by the end of the year 2000.

Reach an average quarter hour audience of a half million listeners—a hundred thousand more listeners on average, a thirty percent increase over current performance.

Increase annual non-governmental revenues by \$50 million—a forty percent increase.

Enhance delivery capacity with twenty additional broadcast outlets—about one-third with significant population coverage—through acquisition of noncommercial and commercial facilities and long-term operating agreements.

Use these resources more productively by creating new partnerships, joint operating companies, and mergers—principally *within* the SRG membership—to carry out many basic operations.

This report examines how we are doing with ten months left to our planning horizon. It is important to acknowledge that these targets were not formally adopted by individual SRG members. Each station has its

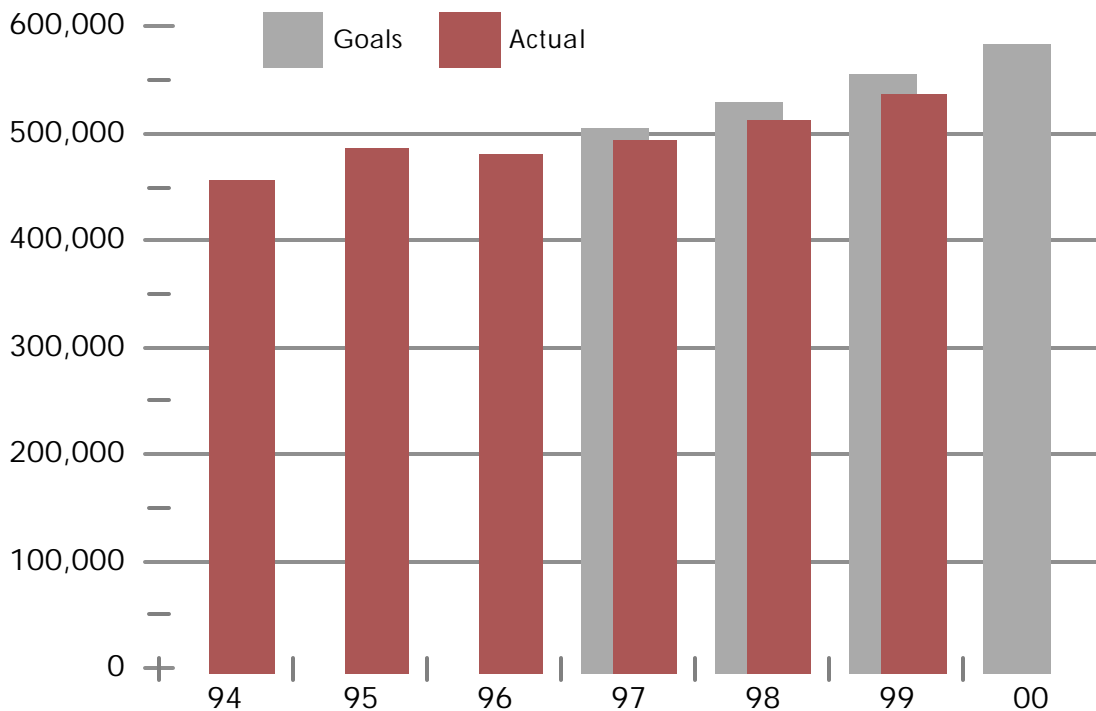
own measures of success. At the same time, the targets embody a collective path on which we set ourselves and, more specifically, a framework that has guided much of SRG’s work over the past several years. In this context we all have a measure of accountability to one another.

Audience Service

This chart shows the average-quarter-hour audience for SRG’s current membership (Monday-Sunday, 6am-midnight). SRG has a few more members now than when we set the target, so we adjusted the goal upward accordingly—to an AQH of 584,000. While we are clearly making progress, we are running behind our target pace.

AQH: All SRG Members

Actual v. Goals



Source: Arbitron

Spring Survey

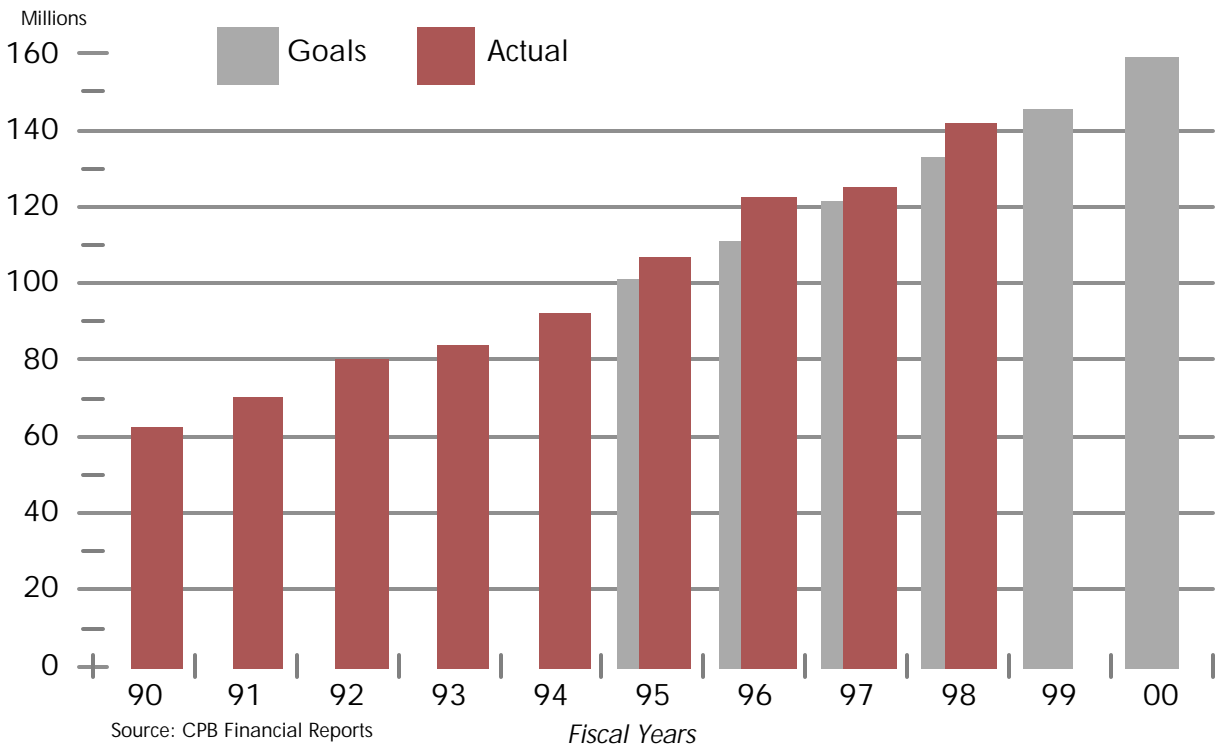
Financial Support

The performance is stronger when we turn to the efforts of SRG members to build non-governmental financial support. Because of the lag time in collecting and certifying audited financial reports, we currently have results only through FY 1998.

SRG members have dramatically increased their non-governmental income. Changes in accounting standards gave an extra boost to FY 1996 (with an offset in FY 1997). After balancing that bump in the road, there is a clear pattern of continuing growth from listeners, business, foundations, and other fund raising.

Non-Government Income: All SRG Members

Actual v. Goals

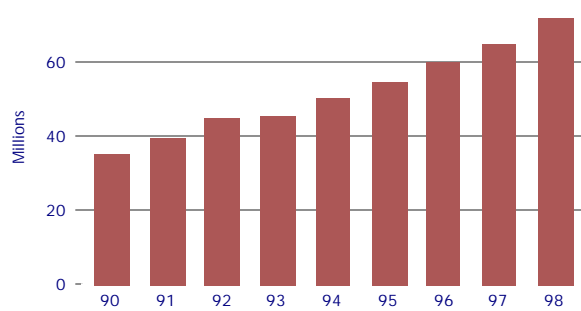


Individual Giving

We can look a little closer at the factors that are driving the growth in non-governmental funding. Individual giving is moving forward briskly. The chart at right highlights the performance of SRG members over the past decade.

Individual Giving: All SRG Members

Adjusted for Inflation (1998 Dollars) - Constant Member Base



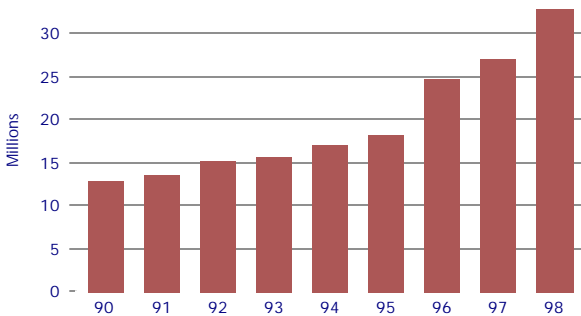
Source: CPB Annual Financial Reports, SRG

Business Support

Results are even more dramatic for support from the business community. In FY 1995, business support efforts of many SRG members were still relatively undeveloped. In a few short years, contributions from this sector have nearly doubled.

Business Support: All SRG Members

Adjusted for Inflation (1998 Dollars) - Constant Member Base



Source: CPB Annual Financial Reports, SRG

Individual giving has emerged as the most significant source of SRG members' support, accounting for 40 percent of all cash revenue. Business support accounts for about half as much, 18 percent.

The growth curves in both these areas are testimony to a sustained and disciplined effort across the entire SRG membership. They also reflect important investments from CPB's Future Fund through SRG and others.

New Broadcast Channels

Fifteen SRG members added a total of thirty-one stations during the past four years:

Capital Public Radio	Vermont Public Radio
Colorado Public Radio	Wisconsin Public Radio
Indiana Public Radio	Wyoming Public Radio
New Hampshire Public Radio	WGBH
Minnesota Public Radio	WKSU
Nashville Public Radio	WSHU
Northwest Public Radio	WXPB
Red River Public Radio	

The paths to these new outlets were highly varied: acquisitions of commercial stations, acquisitions and operating agreements with noncommercial stations, an agreement for a share-time license, and a couple of new allocations from the FCC.

We have secured more channels than we aimed for. Most of the additions are projects to extend signals into previously unserved areas with either limited-power signals or stations reaching sparsely populated areas—a familiar model for expansion of service.

On the other hand, Minnesota Public Radio's arrangement to operate KPCC in the Los Angeles market qualifies as a breakthrough development—a plan to upgrade an underperforming major market outlet into a high impact station. Also interesting strategically are WGBH's venture with a separate, small-scale program service on the Massachusetts Cape and Red River's development of a separate, in-town service on a low power station in Shreveport.

SRG is working with several members on projects that, if successful, will lead to new services in major population centers. If even a few of these large-markets initiatives come through, they will both assure we fully meet this goal and provide an important boost to our collective audience service. In general we have found that capturing additional broadcast channels is complex and requires multi-year efforts.

Partnerships, Joint Operating Companies and Mergers

Our ambition to construct new ways to carry out basic operations has posed the greatest challenges.

SRG itself formed several partnerships aimed at *learning* together. The LEADERS PARTNERSHIP pioneered the major gifts area, followed by the MAJOR GIFTS INITIATIVE. BRILLIANT ON THE BASICS: LISTENER SUPPORT brought 18 SRG members together for a two-year project to increase the productivity of individual giving programs.

SRG members have played a leading role in launching many other collaborative knowledge-and-skill-building efforts, including the Public Radio Underwriting Partnership, the Listener-Focused Fundraising project, the Public Radio Tracking Study, the Public Radio Internet Service Alliance (PRISA), and The Local News Project.

Several SRG members are participating in joint underwriting arrangements with other public radio stations in their respective communities, offering potential business supporters the chance to make a single investment in public radio in the market. On a more far-reaching scale, Colorado Public Radio and KUSC have

formed a Limited Liability Corporation (LLC) to launch Classical Public Radio, which is already producing programming heard on both stations and plans to extend the service elsewhere in the coming year.

The Internet is creating new venues for partnerships as well. Most of the station investors in Public Interactive, the web services company launched last year, were SRG members. In this model the stations are taking an ownership interest in a for-profit company that, in turn, provides service both to them and other public radio stations. Minnesota Public Radio forged a partnership with National Public Radio to develop exploreRadio, an initiative to bring the resources of these two major content producers to the Internet via station web sites.

Conclusions

SRG members should take considerable pride in the shared progress toward goals that were a real stretch when we first mapped them out. This review also illustrates the connectedness of different parts of station operations: we are making progress in each of the areas, in part, because we are making progress in all of them.

Four years ago, our fiscal health was the focus of our greatest anxiety. It has been the area of greatest effort and greatest success in the intervening years. As we complete this phase of our worth together and look ahead to the next, it seems clear that renewed attention to audience service, delivery channels, and productive partnerships will be the next orders of the day.