The financial case to invest in BIPOC audiences

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Call to Mind: Sam Choo (mental health initiative)
APM Research Lab: Craig Helmstetter
Agenda

→ Why we formed
→ What we found
→ What next?
  • What can I do next?
  • Comments/questions
Why did this team form?

• There is a clear **moral case** to invest in BIPOC audiences so that public media can better reflect the public we seek to serve

• **Research** shows that investing in racial/ethnic diversity is not risky, it’s enhancing

• Virtually all **major players** in media—including NPR—are investing in BIPOC audiences, and have been for years

→ So, we formed to investigate the question: **is there a financial imperative for APMG to differentially invest in BIPOC audiences?**

We investigated the WHY [not the who, what, or how]

Source: For example, *Diversity Wins, How Inclusion Matters*, McKinsey
What did we find?

- APMG **under-serves** BIPOC audiences today
- In the short term it is likely **no more risky** to invest in BIPOC audiences than other investments APMG has made
- In the medium- to long- term BIPOC audiences are **vital** to APMG’s **financial health**

There is a clear financial need for APMG to diversify its audience and all Public Media
Who we serve today

Who consumes APMG content?
Approximate proportion of Americans consuming public radio including podcasts and digital

9%
Of all **non-Hispanic White** Americans
about 17 million of 200 million people

2%
Of all **BIPOC** Americans
about 3 million of 133 million people

Source: Best guess based on NPR’s reported radio audience demographics & known demographics of APM’s podcast listeners; 2020 Census.
Imperative to act

How the world is changing
The U.S. is projected to be majority BIPOC by 2045

Source: U.S. Census Bureau
Example:
Theoretical revenue gains from appealing to BIPOC audiences

<table>
<thead>
<tr>
<th>Population</th>
<th>2020</th>
<th>2045 - Scenario A (Same Audience)</th>
<th>2045 - Scenario B (Diversify Audience)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BIPOC</td>
<td>$860 million</td>
<td>$816 million</td>
<td>$825 million</td>
</tr>
<tr>
<td>Non-Hispanic White</td>
<td>$140 million</td>
<td>$202 million</td>
<td>$1.02 Billion</td>
</tr>
</tbody>
</table>

Assumes 9% of White Population Listens, 2% of BIPOC Population Listens

Assumes 9% of White Population Listens, 9% of BIPOC Population Listens

An over-simplified analysis of the impacts of population changes on audience & revenue. Dollars held constant 2020 value (not inflated) for ease of comparison.
Example:
Theoretical revenue gains from appealing to BIPOC audiences

Even a slow incremental increase in appeal to BIPOC audiences over the course of 25 years would result in 32% more revenue than “Scenario A” – in this example, that would be a difference of more than $8 billion over 25 years.

The quicker this change happens, the larger the rewards reaped by public media

Source: An over-simplified analysis of the impacts of population changes on audience & revenue. Dollars held constant 2020 value (not inflated) for ease of comparison.
Current impact of BIPOC-focused programming

Impact to revenue & profit
Learning from APMG’s Fiscal Year 2020 programming

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Outputs</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Production costs</td>
<td>• % of voices heard that are BIPOC (talent + guests)</td>
<td>• % of audience that is BIPOC</td>
</tr>
<tr>
<td>• % of program staff who identify as BIPOC</td>
<td>• % of program time spent on topics that are explicitly BIPOC-oriented</td>
<td>• Audience size</td>
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<tr>
<td></td>
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<td>• Net revenues</td>
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Bivariate analysis (correlations) of imperfect/best guess data of APM/MPR programs (22 programs total, some lacking data means that a particular analysis may rely on fewer programs).
What did we learn from this analysis?

1. Higher costs = higher net revenue
   - Don’t expect big revenue from small investment

2. Higher % BIPOC staffing = more BIPOC voices & higher %BIPOC audience
   - Recruiting and retaining BIPOC staff is key

3. Higher BIPOC staffing, voices, & topics appears unrelated to audience size and revenue in FY2020
   - We can afford to take bigger “risks”

Bivariate analysis (correlations) of imperfect/best guess data of APM/MPR programs (22 programs total, some lacking data means that a particular analysis may rely on fewer programs).
Review: We need to invest in BIPOC audiences

- APMG under-serves BIPOC audiences today
- In the short term it is likely no more risky to invest in BIPOC audiences than other investments APMG has made
- In the medium- to long-term BIPOC audiences are vital to APMG’s financial health

There is a clear financial need for APMG to diversify its audience and all Public Media
What can all of us do next?
Make growth with BIPOC audiences part of our day jobs

Tie individual FY22 level goals to company goals

Org-Wide Goals
Division-Wide Goals
Team-Wide Goals
Personal Goals

Complete Your Sphere of Influence

Need thought starters? Work with your division leader & managers to brainstorm ideas for how you can influence one of the following:
• Strategy
• Staffing
• Innovation
• Existing content
• Partnerships
• Distribution/promotion
• Underwriting
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