TRADE ASSNS.

8% TYPICAL PROFIT FOR BOTH AMS, TVS

- Record year seen for radio
- Broadcast economics scanned

PROFIT MARGINS of the typical radio and tv station are uniform, running around 8% based on total revenue, according to a survey conducted by NARTB. The similarity of the margins is shown in the association's annual analysis of revenue, expenses and profits.

Another NARTB study, presented to the association's Am Committee Thursday, pointed to an estimated $491 million net radio income from time sales in 1956, an 8% increase on 1955 and an all-time high. Grover C. Cobb, KVGB Great Bend, Kan., chairman of the Am Committee, told the group that all indications point to a further radio increase in 1957, attaining a higher rate of increase than the current figure.

The Am Committee favored a return to the old name—National Assn. of Broadcasters (NAB).

Commenting on the healthy state of radio, Mr. Cobb cited NARTB research data to support the prediction that 1957 should be another record radio year. John F. Meagher, NARTB radio vice president, presented additional data backing up the solid state of the aural broadcasting industry.

Although both radio and tv stations average an 8% profit margin based on total revenue there is a much wider variation in margins among tv stations than is the case with aural broadcasting, according to NARTB studies.

Average Per Employee

The average radio station earns around $11,000 in total revenue for each fulltime employee compared to $15,000 for the average tv outlet. NARTB's data shows. The average large radio station in markets over 250,000 population shows a figure almost double the $11,000 average radio revenue per employee. The average small station in markets under 10,000 grosses around $9,000 for each fulltime employee.

Among television stations, the profit margins range from $10,000 per employee in the small-station small-market group to $34,000 in the large-station large-market group in markets with over a million population.

The typical tv station's total revenue is more than three times that of the average radio station.

The studies were conducted under direction of Charles H. Tower, manager of the employee-employer relations department, and Richard M. Allerton, manager of the research department. The profit-margin data and a series of financial yardsticks covering revenues, expenses and profits are based on 1955 operating reports. A new feature shows where the sales dollar comes from and radio data is broken down by city size with a large and small station separation within each of the city sizes. In addition there are revenue-size breakdowns. Tv data, also, is broken down by city-size and revenue groups.

NARTB's Am Committee, considering a

NEW NARTB data showing station revenue, expense and profit breakdowns was reviewed at Am Committee's first meeting in Washington Thursday. L to r (seated): Cecil Hoskins, WWNC Asheville, N. C.; John F. Meagher, NARTB radio vice president; Grover C. Cobb, KVGB Great Bend, Kan., chairman; Jack Younts, WEEB Southern Pines, N. C., and (standing) Richard H. Mason, WPTF Raleigh, N. C.; Carleton D. Smith, WRC Washington, for NBC; Merle H. Tucker, KGAK Gallup, N. M.; John F. Patt, WJR Detroit; C. L. Thomas, KKOK St. Louis; Owen F. Bridge, WCKR Miami; W. H. Summerville, WWL New Orleans; Don Durgin, ABC, and Todd Storz, KOWH Omaha.

MEMBERS of the NARTB Engineering Conference Committee held their first planning session for the April 7-11 Chicago session at last week's meeting in Washington. L to r (seated): John T. Wilner, WBAL Baltimore; Harry Tilley, WOR-TV New York; A. Proctor Walker, NARTB; Chairman John G. Leitch, WCAU-AM-TV Philadelphia; Ross H. Beville, WWDC Washington; Joseph B. Epperson, WEWS (TV) Cleveland, and standing, Thad H. Brown Jr., NARTB; William B. Lodge, CBS; John A. Shay, WTVJ (TV) Miami; Harold P. See, KRON-TV San Francisco, convention committee liaison; George Bartlett, NARTB; Raymond F. Guy, NBC; J. A. Slosser, KOA-AM-TV Denver; John F. Meagher, NARTB. resolution adopted by the Arizona Broadcasters Assn., voted unanimously to ask the NARTB board to drop the present NARTB name and change back to the old NAB. It was pointed out that the NAB designation is still in wide use around the industry. The present name is cumbersome, it was contended, and the shorter version has public relations advantages. In addition, its was emphasized that the term "broadcasting" includes both aural and video media.

The Am Committee wants the association's board to act at its February meeting on the NAB proposal, with the matter going to the membership for a referendum ballot.

In another resolution the Am Committee commended the board for setting up a research group to appraise radio audience circulation and program surveys. It praised work of a special standards of practice committee that has submitted aural and visual symbols for use by radio broadcasters subscribing to the standards.

More radio exhibits should be displayed at the 1957 industry convention in Chicago April 7-11, the committee felt. Exhibitors are being reminded that the expanding radio industry offers them a growing market.

State Assn. Heads to Meet

SECOND annual conference of the 47 state broadcaster association presidents will be held Feb. 21-22 at the Mayflower Hotel, Washington, NARTB President Harold E. Fellows announced Thursday. Howard H. Bell, NARTB assistant to the president and state association coordinator, is handling arrangements. The conference will conclude with the awards banquet celebrating the 10th anniversary of the Voice of Democracy contests. Mr. Fellows recalled that 43 of the 47 presidents attended the first conference last February. The agenda has been expanded to two days.

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