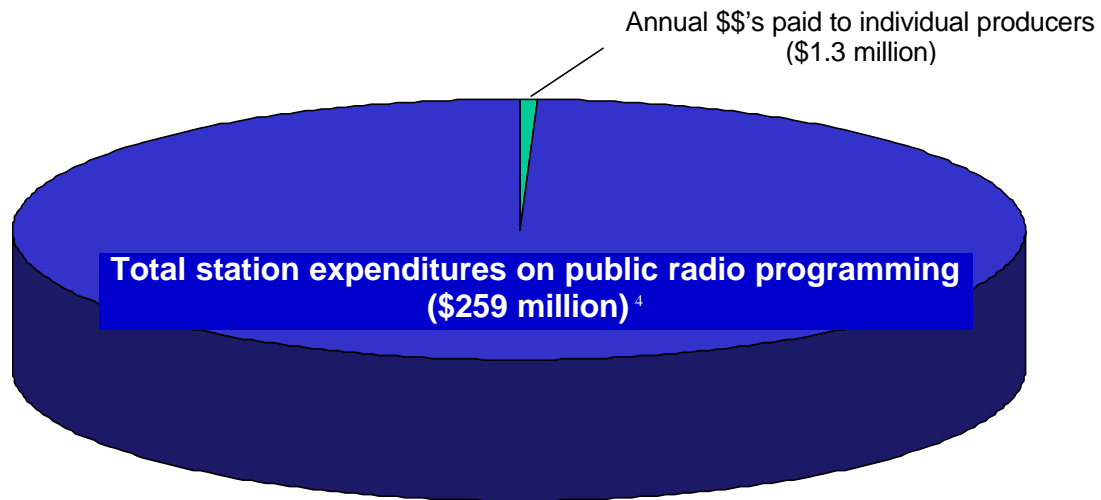


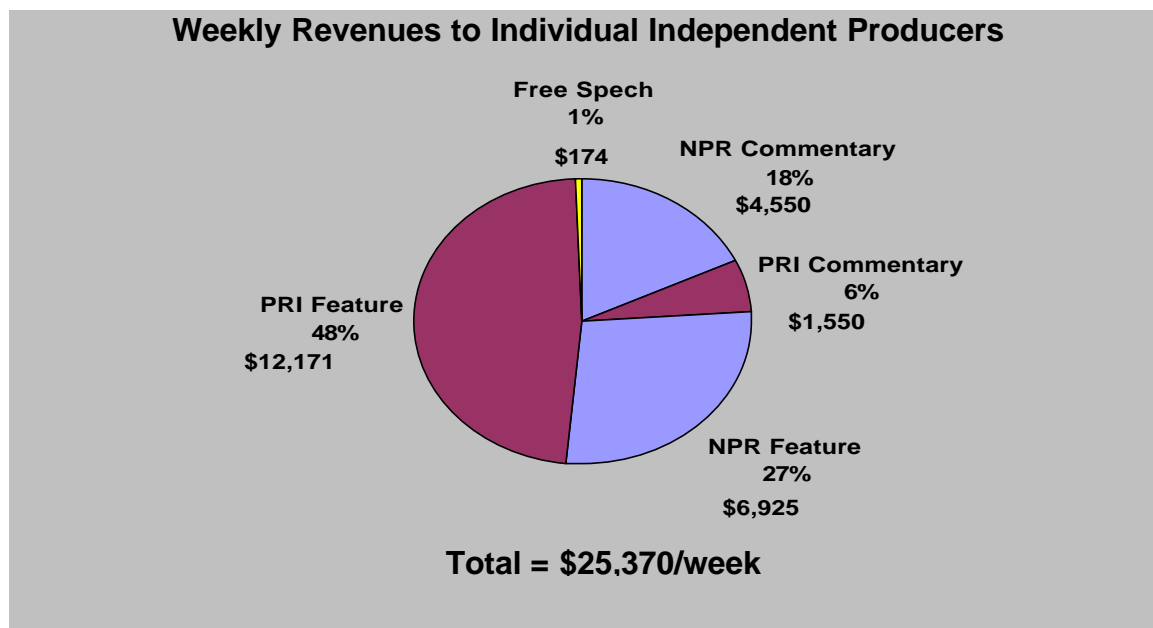
The Economy

Independent radio production is not a thriving business

For every programming dollar flowing through the public radio system, about one half cent goes into the pocket of the Independent Producer. Our content analysis reveals that public radio as a whole – both nationally and locally – spends a weekly average of \$25,000 on independently produced programming from individual producers, or \$1.3 million each year.



In order to give some perspective on the economy of independent production, we measure this weekly expenditure against the total public radio station programming economy for 2002 (\$259,000,000)⁴ and find that, in this context, the percentage of revenues expended on independent produced programming is .5%. This is not inclusive of network fees for independent work, which would yield an even lower total percentage of the total economy.



⁴ CPB, FY 2002 (Line E1, Schedule E of the Annual Financial Report that Grantees file with CPB) represents the total public radio station costs of production and/or acquisition of programming. This does not include fees paid by networks for independent work.

PRI distributed programs leads the way total revenues paid to Independent Producers (54%), with NPR expenditures making up 45% of the total revenues reported during the period of the project sample week. FSRN registers with 1% of the revenues spent. Other Acquirers such as Pacifica, National Native News, or station-based productions did not register in the analysis. PRI revenues skewed higher in this sample because of longer form pieces commissioned by individual programs. Newscast spots were not included in the analysis and, though this margin between PRI and NPR expenditures is relatively narrow, it is significant because NPR dominants in the absolute number of pieces they commission.

The average fee paid for Independent work ranges from \$235 for a commentary to \$796 for a news or feature story, as measured across the 17 programs (15 national and 2 local) that paid for Independent programming in our sample. More news and features aired on NPR programs.

While we found that some Acquirers pay a flat rate for commentaries or features, others pay what is negotiated with an individual. In our sample, a few producers with negotiated rates skewed the average cost upward. In some cases we determined Acquirers pay more for a higher level of expertise from a commentator.

Three quarters of Independent Producers earn most of their income outside of their radio work and more than four in ten producers (43%) report that that their gross income does not exceed their expenses; that they did not generate net income from their Independent work.

A quarter of Independent Producers consider their radio work to be a hobby.

There is some disparity between what Producers are aspiring to economically and what they are actually achieving. When we look at Producers as an entire group, more than half said they are trying to make a living with their Independent radio work. Of this total group, the majority – 77% – report that most of their income comes from sources other than their independent production. When we focus a bit deeper on that half of the group who are trying to make a living, we find that 64% earned some net income through their Independent Production work, though we cannot tell from our analysis how much net income. Another third of Independent Producers who are trying to make a living report a net loss or zero earnings.

Independent Producers are not succeeding in expanding beyond public radio. When we queried entrepreneurial initiative and opportunities Independent Producers are pursuing to expand into new markets or sources of revenue outside of public radio, we find little success. The vast majority (95%) of Independent Producers say they receive “minimal or no” funding from streaming or downloading, and little to no revenue coming from sales or merchandising. Even with respect to more conventional forms of fund-raising, the great majority (88%) answered “minimal or no” to securing underwriting as a source of revenue to support their work. The same number indicated that they have developed few if any secondary markets for their work.

The leading source of funding for independently produced programming, outside of negotiated fees, comes from Producers themselves. When we asked about sources for supplementing the income earned from Acquirers fees, more than four in ten Producers (43%) report “self-funding” as “Major or Minor” source. Foundation grants rank as the next leading source for Producers (39%). Partner stations are reported by one out of five of Independents to be a source of supplemental income. CPB is listed as source of financial support for only 7% of Independent Producers through direct contract, and another 14% through subcontracting with other projects.

One in five Independent Producers cite “station partnership” as a source of funding.

Funding	Major/Minor	Minimal/Not
Self-Funding	43	57
Grant Foundation	39	61
Partner Station	20	80
Partner Network	15	86
Subcontract CPB	14	87
Secondary Mkts	13	87
Corp Underwriting	12	88
Sale Merchandise	8	92
Grant CPB	7	93
Partner Company	6	94
Stream Download	5	95

Independent Producers: Who They Are, What They Think, What They Produce
Walrus Research, Spring 2004

Please send us your ideas or comments. [\[click here\]](#)