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Date May 1986

# BLACK-OWNED RADIO AND TELEVISION STATIONS: 1985

A Thesis

Presented for the

Master of Science

Degree

The University of Tennessee, Knoxville

Coretta Rivers Jones

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# DEDICATION

This thesis is dedicated to my husband, Willie Jones, and my two children, Trevor and TcKoy. Without their support and understanding, this project would not have become a reality.

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ABSTRACT

Black people, America's most dominant racial minority, have long been underrepresented among those who control and run the broadcasting industry. Considerable evidence suggests that black broadcasters are faced with unique problems, pecular to black ownership. In an effort to determine the distinctions that make black ownership unique, there must be an examination of the key factors that impact upon black ownership. This study provides a historical and descriptive review of black ownership of broadcast facilities. Furthermore, the research methods employed produced a current status report of black-owned commerical radio and television stations in the United States.

Some of the findings were:

1. More than 50% of the black-owned radio and television stations were acquired during the past 15 years. All of the television stations were acquired since 1975.
2. Eighty-six licensees accounted for nearly 70% of the stations, with eight classified as group owners. Two licensees were classified as crossowners and more than 25% of the licensees maintain common ownership of stations in the same market.
3. Nearly one-half of the 137 stations in this study were located in the South, with more than 20% in the East and Midwest. More than half of the stations were located in one of the leading black metropolitan areas.

4. More than 60% of the radio stations were located in large and major markets. Less than 10% of the stations were located in small markets. In addition, more than one-third of the television stations were located in the top 100 markets.
5. Eighty-four of the 124 radio stations in this study used the extended services of at least one national network. However, most of the black-owned television stations were independent of network affiliation.

Results from this study indicate that most of the characteristics that decide the success or failure of black-owned broadcast facilities do not greatly differ from mainstream radio and television. However, the findings do seem to suggest that the most obvious distinctions between black-owned radio and television stations and the total commercial broadcasting industry are ownership patterns, radio station format and television network affiliation. Substantial evidence suggests that these differentials may present major problems relative to the profitability of black-owned broadcast facilities.

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# CHAPTER I

## INTRODUCTION

Black people, America's most dominant racial minority, have long been underrepresented among those who control and run the broadcasting industry (Pember, 1983, p. 241). Fifteen years ago, there were only fourteen black-owned radio stations in the United States; by the end of 1984, blacks owned 142 commerical and 10 public radio stations, 11 television stations, and 6 cable franchises (NAB, 1984, p. 4). Although the increase has been significant, the fact remains that less than 2% of all owners in the broadcast industry are black, despite the fact that blacks/ minorities comprise approximately 20% of the United States population (Hammond, 1983, p. 26).

Allen Hammond explains that the lack of minority participation in ownership is extremely crucial for several reasons.

> First, minority ownership in the broadcasting industry can have a profound and positive impact on the diversity of information that the American society receives about itself and the world. Second, the current technologically motivated innovation and growth within the telecommunications industry could spawn small firms that are more likely to create greater employment opportunities and more innovative services. Third, increased minority ownership would facilitate the expansion of an economic base within the minority community and allow minorities to make a more enduring contribution to the general welfare as employers and producers of goods, services and innovation (Hammond, 1983, p. 26).

Few business opportunities contain as much potential for economic development as does broadcasting (Honig, 1983, p. 859). The broadcasting industry is growing at a tremendous pace and blacks want a fair share of the opportunities. The presence of blacks as station owners and partners, as decision makers, and even as program suppliers will reduce the economic pitfalls of the future, as well as help to create a new industry to serve the black community's needs (Gupta, 1981, p. 94).

## 1. STATEMENT OF THE PROBLEM

A national effort has emerged to foster minority ownership of broadcasting facilities. The Federal Communications Commission, the Courts, the former Carter Administration, members of Congress, among others, have backed the case for more minority ownership in the broadcasting industry. Special interest organizations, such as the National Association of Broadcasters, aid the uphill battle by providing technical and financial assistance (Freedom of Information Report, 1981). *However, the growth of black owners in the broadcasting industry remains disturbingly slow. Moreover, the recent move by the Reagan Administration to deregulate the communications industry suggests a pessimistic outlook for increasing black ownership of broadcast facilities in the near future.

## 2. RESEARCH QUESTIONS

The following questions will be explored in detail:

1. What has the government done to foster minority ownership of broadcast facilities? Why?
2. Are there financial and social obstacles that impede minority ownership of broadcast facilities?
3. How are blacks acquiring the capital necessary to purchase radio and television stations?
4. What are black ownership patterns?
5. What are the methods of acquisition?
6. What is the present status of black-owned stations? Are they desirable stations?
7. What are future prospects for black ownership in the broadcasting industry?

## 3. PURPOSE OF THE STUDY

Over the past two decades, the FCC and various other government agencies have adopted several policies designed to increase the level of minority ownership of radio and television stations. As a result of such commitments, the number of black-owned broadcast facilities has increased dramatically. For instance, before the FCC promulgated its Policy on Minority Ownership in 1978, blacks owned only 56 commercial radio stations. Now, according to one source, blacks own 142 commercial radio stations and 15 television stations (NAB, 1984).

At first glance, the statistics appear to suggest that blacks are definitely making strides in the broadcasting industry. However, closer scrutiny of those same statistics indicates no evidence of the plight of minority broadcasters once they have received the license and are attempting to come on the air. Furthermore, the statistics do not indicate that black-owned stations are as successful or profitable as white-owned stations.

It is the writer's contention that black broadcasters are faced with unique problems more critical than those the FCC Minority Policy has attempted to eliminate. Sure, blacks own stations, but are they desirable stations? Are black-owned stations attracting advertising dollars and obtaining accurate ratings of their audience? Do black broadcasters agree that a broadcast license is indeed, "the other license to print money?" Consequently, the primary purpose of this study is to answer the questions posed and to provide current data on black-owned commercial radio and television stations in the United States.

## 4. PREVIOUS RESEARCH

A survey of the literature on broadcasting reveals a dearth of information relative to black ownership of broadcast facilities. The lack of research into black broadcasting is surprising since the White House, the Congress, the FCC and the Small Business Administration are all attempting to develop policy for increasing minority ownership of broadcast properties (Soley, 1978, p. 455). Such a paucity of academic research may suggest that black broadcasting is not representative of mainstream broadcasting, and thus, ownership data cannot be compared to ownership information on the entire commercial radio and television industry (Alexander,1982).

Furthermore, the lack of academic research of black ownership of broadcast facilities could stem from the fact that the majority of black-owned radio stations have been acquired since 1972 (Soley, 1978, p. 459). All black-owned television stations have been acquired since 1975 (Pember, 1983, p. 243). Prior to 1972, black-oriented radio stations were predominantly white owned. However, most policy-making positions at black-oriented stations were being filled by blacks, including news director, program director and sales manager. Station managers were as likely to be black as white (Eich, 1973).

Overall, the bulk of academic research pertaining to black broadcasting has been historical in nature. Studies revealed that by 1968 negro-appeal (black-oriented) radio had become established in the major markets of the United States. The number of stations devoting their entire broadcast schedule to black programming stood at approximately 100. In 1958 there had been only 37 full-time negro-appeal (black-oriented) stations, 32 of which were in the South. Such dramatic increase in popularity of black-oriented radio stations prompted several case studies which attempted to discover what negro-appeal (black-oriented) radio is and how it differs from general-appeal broadcasting (Jones, 1968).

A thorough analysis of the case studies established that three factors are primarily responsible for black-oriented radio's distinctive character and tremendous growth: music, news and public service. The music on black-oriented radio differs from that on general stations in that it is mostly rhythm and blues featuring black artists. Religious or gospel music also occupies a commanding position in the daily schedule. News broadcasts emphasize items of primary interest to the black community. Public service features are related strictly to the black community (Jones, 1968).

Case studies also revealed that black-oriented radio stations have a mission: to reflect black culture in programming soul, gospel and jazz. Deejays and the station's promotional efforts emphasized soul. They used meaning inversion, rhyme, alliteration, and kinetic description to enhance the distinctly black, positive image (Bastron, 1975).

A brief analysis of past black radio economics revealed that social segregation directly influenced the profitability of black-oriented radio stations. Black-oriented stations had less advertising than white-oriented stations within the same market, and the advertising mixes differed by origin, with black-oriented stations more dependent on national advertisers. Black-oriented stations had fewer ads for expensive items; these stations carried more ads for entertainment. Furthermore, many of the black-oriented stations' ads were black-oriented. Black-owned businesses accounted for more than their share of the advertising on black-oriented stations; white-oriented stations' ads avoided black association (Bastron, 1975).

Despite social segregation, black-oriented radio had a major influence both upon the general history of American radio broadcasting and upon America's musical tradition and styles. Black radio, rather than the black press, was the first black mass communications medium to leap across the boundaries of illiteracy, class and racism to become a common denominator among blacks and whites to extend musical styles and ritualistic forms throughout America (Spaulding, 1981). Consequently, black-oriented radio is viewed as a dynamic force in the broadcasting industry and it will remain so for a long time to come (Jones, 1968).

## 5. DESCRIPTION OF SUBJECTS

When examining the various broadcast publications, FCC records and news articles on black ownership of broadcast facilities, the writer found the reports to be ambiguous or riddled with errors. For instance, the Blackbook International Reference Guide lists 127 radio and 11 television stations as black-owned broadcast facilities, while the National Minority Media Directory lists only 94 radio and 6 television stations. Neither directory made the distinction as to whether the stations were 100% black-owned.

Furthermore, the FCC has recently changed the definition of "Minority Ownership." Until recently, the Commission required that the minority investor own at least 50% of the company to qualify for treatment as a "minority" business. The commission recently recognized that small businesses are frequently limited partnerships and that so long as the minority was the general partner and owned 20% of the company, the minority would still manage the business. The commission reasoned that, since it is the general partner who makes the management decisions--for example, what type of programming a station elects to display--there was no reason to require that a minority own a 50% interest in the business (Rivera, 1983).

Consequently, to minimize spurious research findings, the writer has adhered to the past conventional standard and compiled a list of black-owned stations that are 50% or more controlled by blacks. This list serves as the initial frame for the research study.

## 6. RESEARCH DESIGN

This study is a historical and descriptive review of black ownership of broadcast facilities. Initially, this study examines academic journals, professional publications and newspaper articles to provide a historical summary of the major developments in black ownership of broadcast facilities. Secondly, personal interviews were conducted to report on trends in black ownership, identify station characteristics, programming, staffing, and finances of each station. The descriptive review, along with personal interviews, formulate a picture and/or serve as documentation of the current condition of black-owned stations, and changing attitudes of black broadcasters. Consequently, the research methods employed have produced a current status report of black-owned commercial radio and television stations in the United States.

## 7. SIGNIFICANCE OF THE STUDY

Data from this study will provide black broadcasters with a comprehensive perspective of broadcast ownership. In addition, this study will provide black broadcasters with a profile of each radio and television station in the United States that is at least 50% black-owned. It is hoped that the examination of many key economic factors that impact upon black broadcast ownership should give black broadcasters a greater insight into the many facets of broadcasting. In this regard, this study should help to make black ownership of broadcast facilities an effective and lucrative endeavor.

## 8. ORGANIZATION OF CHAPTERS

Chapter I is an introduction to this study. Chapter II attempts to trace minority involvement in broadcasting from the early 1960's to the 1980's. In addition, Chapter II explores the financial, political and economic issues that impact upon black ownership . Chapter III examines the ownership patterns and methods by which blacks gain ownership of broadcast facilities. Chapter IV provides a profile of black-owned radio and television facilities. Chapter V summarizes profile data and provides results of interviews with black owners and/or managers of radio and television stations. Finally, Chapter VI presents conclusions and offers some recommendations for future research.

## 9. DEFINITION OF TERMS

Black-owned Stations: Radio and television stations that are 50% or more controlled by blacks.

Black-oriented Stations: Radio and television stations with programming directed towards the black community.

Urban/Black Format: Station programs music performed only by black artists.

Urban Contemporary: Station programs music performed by black artists, as well as Top 40 hits and rock. It is presumed that this format has wider audience appeal.

## CHAPTER II

# HISTORICAL OVERVIEW OF BLACK OWNERSHIP OF BROADCAST FACILITIES

This chapter contains information collected for research questions 1, 2 and 3. It is divided into five sections. Each section identifies and examines major obstacles that contribute both directly and indirectly to the severe underrepresentation of black-owned broadcast facilities.

## 1. ACCESS BEFORE OWNERSHIP

The broadcasting industry has had a difficult time coping with the racial diversity of the United States (Pember, 1983, p. 241). Historically, the involvement of minorities/blacks in the industry has systematically reflected three stages: non-recognition, ridicule and regulation (Hobson, 1974, pp. 185-199). To illustrate, up to the early 1960's, minorities/blacks--to use early television as a measuring device--did not seem to exist in this country. The television medium, white-owned and white-controlled, included very little programming that featured minority performers; that is, outside of the old Hollywood films which made up much of television then.

However, when minorities/blacks were featured, the characters invariably fell into stereotypical categories. Asian Americans were portrayed as pig-tailed workers on railroads or as crazed, suicidal, warring Japanese, obsessed with bombing Americans.

Hispanics were hardly expected to be shown with other Americans since their lives were spent in perpetual "manana-land" and it was always "siesta time" (Corporation for Public Broadcasting, 1981). Furthermore, the Native Americans were portrayed as massacring, blood-thirsty savages, civilized by the white man and no longer a threat to America's manifest destiny.

Although the previous characterizations were negative and demeaning, none was so consistently stereotypical and degrading as the portrayal of blacks. Black characters invariably fell into the following categories: the slapstick variety portraying the black as a clown or fool, or the sentimental melodrama full of laughing, hymn-singing slaves toiling contentedly for their benevolent masters. In many instances blacks were portrayed as blubbering, superstitious cowards whose hair turned white at the approach of even the mildest form of danger, and as the cannibalistic savage in jungle pictures about "darkest Africa" (Collier, 1974, pp.. 209-217).

Such were the stereotyped portrayals of minorities/blacks perpetuated by the broadcasting industry. Until 1966, the presentation of minorities on radio and television was patently offensive (Sherard, 1982, pp. 384-394). Although citizens' groups complained of poor station performance during the years between 1934 and 1966, they were not "parties in interest," and the Federal Communications Commission was considered the sole official watchdog of the "public interest" (Freedom of Information Center Report, 1981, p. 3).

But the Office of Communication of the United Church of Christ in 1964 attempted to remove that distinction. The Office of Communication, along with a local citizens' group in Jackson, Mississippi joined to protest unfair racial and religious coverage by television station WLBT, owned by the Lamar Life Insurance Company (Freedom of Information Center Report, 1981, p. 3). Taking their case to the federal courts, Church of Christ representatives sought permission to participate in the FCC's consideration of WLBT's application for license renewal. A landmark decision in 1966 ruled that intervenors representing segments of the licensee's listening public were to be permitted to intervene and participate in the FCC's consideration of license renewals (Spencer, 1977, p. 326).

In a review of the station's performance, the court concluded that WLBT's programming included degrading characterizations; denial of fairness doctrine opportunities to blacks; exclusion of black clergymen from participation in the station's midday devotional programs; refusal to carry NAACP commercials; and common, derogatory references to blacks as "niggers." However, despite the conclusion, the FCC granted renewal of WLBT's license to Lamar in 1967 (FCC Docket No. 18845-18849, p. 7).

The third stage of minority/black involvement in the broadcasting industry--regulation--ensued the 1968 report of President Lyndon Johnson's National Advisory Commission on Civil Rights, popularly known as the Kerner Commission (Sherard, 1982, p. 385). The commission, created to study the causes of the riots of the sixties, blamed the media for contributing to "the black-white schism in the country" (Report on the National Advisory Commission on Civil Disorders, 1968). The commission further reported that the Black Community, its workers, organizations and the Black movement had been excluded, distorted, mishandled and exploited by white-controlled mass media. The commission further emphasized this point by providing statistics concerning the small number of minorities employed in the media at that time (Sherard, 1982, p. 385).

In response to the charge that the broadcasting industry was "shockingly backward in program diversity, hiring, training, and promoting minorities," the FCC adopted an Equal Employment Opportunity Policy (18 FCC 2d 240 (969). This policy forbade discrimination to insure that all radio and television stations carry out employment practices which are compatible with their responsibilities as public trustees of the airwaves. Furthermore, the EEO regulation required that every broadcast licensee develop a program of specific practices designed to assure equal opportunity in every aspect of station employment policy and practice (EEO Fact Sheet, 1985).

To illustrate further commitment to minority participation in the broadcast industry, in 1972 the U.S. Court of Appeals for the District of Columbia Circuit affirmed the "zone of reasonableness" concept which established that there should be some relationship between the number of minorities and females on a station's staff and their presence in the available labor force (Chuck Stone v. FCC D.C. cir., 1972). Later decisions refined this concept to include consideration of representation in upper-level job categories and the effectiveness of the station's recruitment program during the license term (The Bilingual-Bicultural Coalition on Mass Media Inc. v. FCC, 1974). In addition, the Supreme Court in 1976 recognized that the FCC's EEO regulations were necessary to satisfy the agency's statutory obligation to insure that licensee's programming reflects fairly the tastes and viewpoints of minorities (NAACP v. FPC, 1976).

## 2. DIVERSITY THROUGH OWNERSHIP

While the broadcasting industry on the whole responded positively to its EEO obligations and made significant strides in its employment practices, the FCC observed that the views of racial minorities continued to be inadequately represented in the broadcast media. Thus, the key public interest objective of the Communications Act of 1934--diversified programming--was still not a reality. Although minority employment and participation in programming had increased, additional measures were deemed necessary and appropriate to insure full minority participation in the broadcasting industry that would result in a more diverse selection of programming.

In two early 1970 cases, TV9 v. FCC and Garrett v. FCC, minority ownership was favored by the courts as being a positive step toward granting minorities greater access to the broadcast media. In both cases the courts gave the FCC a strong mandate to consider minority ownership in the diversification of media ownership. Moreover, the courts made it clear in the cases that they would not hesitate to review and overturn commission decisions that they believe are not in the public interest.

Since the courts had enforced the case for minority ownership, the FCC in April 1977 illustrated its commitment to minority participation in the broadcast industry by convening a landmark conference to discuss minority ownership of broadcast stations. Out of the conference emerged a major FCC policy statement encouraging minority ownership. This statement was significant not only because it set forth concrete steps the commission would take to foster minority ownership, but also because it marked the first time a federal agency without a specific statutory mandate had made a public commitment to minority ownership (Gupta, 1982, p. 125).

In the FCC "Policy Statement on Minority Ownership of Broadcast Facilities" were two major initiatives designed to increase the number of minority-owned stations. Each of these initiatives was unique in that their effect was to provide financial incentives to incumbent broadcasters to sell stations to minorities via the use of tax certificates and distress sales components (Honig, 1983, p. 869). The tax certificate component allows owners of all or a part of broadcast or cable properties to defer the payment of capital gains tax on profit when the facility is sold to a minority-controlled company and the proceeds are reinvested in similar facilities within three years. The distress sale component allows a majority entrepreneur who faces the loss of his or her station license because of potential disqualifying issues to avoid the possible loss of financial interest in the outlet by selling to a minority entrepreneur at no more than 75% of the actual value of the property (Hammond, 1983, pp. 31-32). From May 1978 through August 1984, 64 tax certificates were issued by the commission and it approved 32 distress sales (FCC, 1984).

Since 1978, the FCC has instituted the following policies to encourage minority participation in broadcast ownership:

1. Reviewed the minority ownership benchmark whereas a minority partner can hold at least 20% of equity interest rather than 50%.
2. Relaxed working capital requirements whereas a prospective minority owner must certify that he has sufficient financial resources to operate the station for three months instead of one year.
3. Established a Minority Enterprise Division in order to obtain a listing of minority persons interested both in purchasing broadcast stations and in establishing contacts with sellers and brokers so as to more effectively integrate potential minority entrepreneurs into the network of information about entry into the broadcast marketplace.
4. Waived rules to promote minority ownership.
5. Awarded merit to an applicant in a comparative proceeding based on minority ownership and participation.
6. Weighted preferences for minorities in lotteries for low-power television licenses.

7. Revised acceptance criteria for radio applications to reflect minority preference.
8. Signed a memorandum of understanding with the Minority Business Development Agency of the U.S. Department of Commerce pledging to promote minority ownership in telecommunications.
9. Issued a second Policy Statement Regarding the Advancement of Minority Ownership in Broadcasting, a Policy Statement on Minority Ownership of Cable Television Facilities, and a package of legislative recommendations for consideration by Congress (Status Report, 1984).

## 3. FINANCIAL OBSTACLES

Even after the FCC has taken aggressive steps to promote minority ownership, blacks are faced with an even greater deterrent to ownership of facilities: raising the necessary investment capital. Unlike many majority owners who had been fortunate enough to obtain unoccupied frequencies from the FCC at no cost, minority entrepreneurs have to purchase their stations at prices which may be costly and thus will require substantial capital. Purchasing an existing station is the only means of entry because every full power television and radio frequency in the top 50 markets has long been assigned.

Even when an existing property can be located, blacks suffer a disadvantage when attempting to persuade lending institutions to provide financing. In many instances, banks have approved loans initially, but later reversed their decisions. When financial institutions are questioned about their increasing rejection of minority proposals, they defend their actions by admitting their lack of faith in black endeavors as honest economic propositions (Gupta, 1981, pp. 93-98).

Major lenders explain that they look at four significant criteria in evaluating broadcast and cable proposals:

1. the track record of the corporate borrower and its principals;
2. advertising and subscription sales potential;
3. the collateral or organizational resources that will guarantee the loan, and
4. the long-term projections for revenue and income (Gupta, 1981, pp. 93-95).

Ignored is the fact that minority borrowers are thwarted by such criteria. Historically, black business enterprise has experienced its development industries where major lenders have shown little interest. Black businesses have traditionally concentrated in hauling, coal yards, personal services, barbering and hair preparations, restaurants and hotel keeping and ethnic products like hair preparations and cosmetics. Racial prejudice is alleged to discourage blacks from areas of commerce with the general public, employing restrictive covenants in real estate and licensing provision, and by using restrictive social customs in trade (Small Business Association, 1983). Only since 1977 have blacks been given the green light that broadcasting/telecommunications is accessible to the minority investors. Therefore, many prospective black entrants have little or no financing, as well as broadcasting experiences.

Banks and other traditional lenders, such as insurance companies, do not view a minority broadcast license as an asset that can be used as collateral. Bankers are looking for immediate returns at little risk. Consequently, they like to make loans based on some real ability to repay the debt. And, the prevalent belief is that most black broadcasters do not have that ability (Gupta, 1981, p. 96).

## 4. FINANCIERS OF THE AIRWAVES

As stated previously, when new FCC rules opened broadcast ownership to minorities, shortage of capital was believed the principal problem facing minorities seeking ownership of telecommunications facilities. Therefore, in an attempt to stimulate black participation in the industry, "The Minority Enterprise Small Business Investment Company" was established in 1969 by an Executive Order of President Nixon to provide capital to businesses owned by minorities and developments hampered by social or economic disadvantages. This MESBIC concept was not an overnight phenomenon. It was created as a result of the Small Business Investment Act passed in 1958 and revised in 1972 (Black Enterprise, 1981, p. 96).

MESBICS, which totalled 439 as of the end of January 1981, are now involved in over 3,200 businesses. In 1980 alone, they had invested $42.2 million in 547 businesses, nearly a fourth of which was in communications, transportation and utilities. But significantly, the infusion of MESBIC capital has radically transformed the role of minorities in broadcasting (Gupta, 1981, p. 93).

In 1977, less than one-half of 1% of the country's radio and television stations belonged to minorities. By the end of 1980, that number had doubled to over 100 stations and two MESBICs--SYNCOM (Syndicated Communications, Inc.) and MBIC (Minority Broadcast Investment Corporation), both located in Washington, D.C.--had been involved in nearly half the transactions. Both have also invested in cable TV, an area in which traditional lenders ignored minority entrepreneurs (Gupta, 1981, p. 3).

SYNCOM was established in 1977 with funds from Opportunity Funding Corporation (OFC), a Delaware-based minority enterprise assistance organization. Since 1979, Florida's Storer Broadcasting put together MBIC, its own MESBIC. The objective, according to Peter Storer, the company's president, was to increase the number of minority-owned broadcast properties. Storer invested $1 million to establish the MESBIC and he owns 49% of the company. The other 51% is owned by two black Washington D.C. lawyers and a black senior vice president at the United National Bank. The control of MBIC by three black entrepreneurs is unique, since most corporate investors insist on control of their venture capital fund. MBIC, which has 60 requests a year, has supplied financing to five radio stations and one television station thus far. MBIC took a 10% ownership in each of the deals and, according to Larry Edler, President of MBIC, the firm is trying to recruit more candidates for funding (Dingle, 1984, pp. 52-64).

Well before the establishment of SYNCOM and MBIC, EQUICO CAPITAL, a MESBIC of Equitable Life, had broken the ice with investments in minority-owned communications properties. Among its significant successes are The National Black Network and Earl Graves KNOK-AM/FM. At the end of 1980, it had invested \$2.3 million in nine properties and had planned \$1.3 million for four more (Gupta, 1981, p. 95).

Another communications MESBIC--BROADCAP--was established by the National Association of Broadcasters (NAB) in 1978. As of April, BROADCAP had committed \$7.3 million for the acquisition or reconstruction of 15 radio stations and three television stations (Broadcasting, 1984).

SYNCOM, MBIC, EQUICO CAPITAL and BROADCAP have made a dramatic impact on minority ownership. The success of the MESBICs has resulted in a deluge of proposals for financing. Indeed, they have played a pioneering role and have begun to convince even traditional lenders that minority broadcasters are profitable investments (Gupta, 1981, p. 98).

## 5. THE PRESENT ECONOMIC ARENA

While the stubborn problem of financing no longer seems to be the obstacle it was in the past for blacks, the acquisition of a broadcast property is only the firststep. Due to the commercial structure of broadcasting in America, a station must produce revenue via advertising to pay for all of the station's activities. Consequently, in order for a commercial broadcaster to remain in the industry, his station has to make money.

The necessity for making money has generated such fierce competition between broadcasters that the advertising community has come to rely heavily on a system of ratings for guidance in their decision-making. Ratings are percentages, statistical estimates of all the households in a given market that are listening to a particular station. They are conducted at regular intervals throughout the year and are an extremely powerful set of figures. The data produced by these periodic surveys can result in success or failure for a station, since they are used by advertisers to determine where to place their advertising dollars. Ratings control programming, determine what the public hears, and most importantly, show advertisers which stations probably have the greatest success in reaching the target audience. Therefore, these facts suggest that ratings are critical to broadcasting and no owner--black or white--is going to stay in broadcasting unless his station shows on the rating charts with a substantial share of the listening audience (Bachman, 1976, p. 35).

What troubles black broadcasters, however, is the belief that the ratings have inaccurately reflected the minority station's listenership; and, because of low ratings, agencies and advertisers are reluctant to buy spots with their stations. To illustrate, in 1973, black-programmed WDAS in Philadelphia sued Arbitron for \$2.5 million in damages. The station's owners claimed Arbitron had caused them to lose advertising revenue by rating them inaccurately (Alston, 1978, p. 21). The suit stemmed primarily from the methodology used for measuring media behavior of general market audiences which is ineffective when researching black listening patterns.

Overall, minority audiences have been difficult to measure. Minorities as a group are more likely to have unlisted phone numbers and are less likely to fill in diaries. As a result of such findings, Arbitron has begun using an expanded sample frame that takes unlisted numbers into account when measuring minority audiences (Freedom of Information Center Report, 1981, p. 5).

Although the rating services have attempted to make improvements in methodology, black broadcasters still say they are losing ground. For advertising discrimination does not rest entirely with rating agencies, or so says former owner and manager of WMBK in Knoxville, Tennessee. Bernice Crawford cited this case: Even when WBMK took the lead as the dominant AM station and the only black station in the market, white business owners said that they did not have black customers and therefore did not need to advertise with WBMK (personal interview). Another example of such advertising discrimination is cited by Willie Morrow, owner of XHRM-FM in San Diego. A car dealership would not advertise because they said blacks do not have money to buy cars (Black Enterprise, 1983, p. 27). Testimonies such as these suggest that advertising discrimination, especially at the local level, is the number one enemy facing minorities once they get started.

To compound matters further, advertising agencies (the agents for advertisers) hesitate to encourage black media buys, and quite often choose to overlook the black consumer, despite the tremendous economic gains forecast for blacks in the 1980's. Media buyers at ad agencies place ads with stations that are rated highest. Consequently, the black-owned stations are the ones most overlooked. According to Skip Finley, Vice-president of Sheridan Broadcasting, the upper-level management people at the ad agencies want to advertise on black radio but the middle-level had backlashed against the idea. In their eyes there is no justification for buying black radio. They do not see the economic sense in buying time on a black radio station that is ranked seventeenth, when they can buy time on a white station that is ranked number two. It is not so much a matter of racism as economics.

In addition to the lack of cooperation from the advertising community, minority broadcasters are handicapped because (1) they are unable to develop strong business ties, (2) they are generally excluded from the "old boy network" and the benefits that derive from the informal relationship established among business associates, and (3) they own broadcast properties that tend to be situated in small markets and simply do not attract national advertisers (Alexander, 1982, pp. 147-148).

Many advertisers and station representatives encourage black owners to cease making ethnic presentations, for example, promoting the black format, in order to secure advertising dollars. Blacks are encouraged to

> get rid of the Black stigma . . . and develop an economic concept that moves out of the ghetto . . . to stop talking of selling exclusively and to sell themselves as mainstream radio and become part of the larger economy. Therein lies the problem. Black owners are asking themselves whether they must imitate whites in order to succeed financially in America (Bachman, 1976, pp. 57-65).

According to Nancy Waters, black owner and general manager of 100,000 watt WCXT(X105) in Hart, Michigan, programming for the general market may just have some merit. After Waters Broadcasting won the four-year battle with West Michigan Broadcasting for the license of WCXT, a feasibility study that was done suggested that a black format would spell economic disaster for the station in an area with a 10% minority population. Why? Because advertisers do not think there is a real "Black" market in Hart. If they do, then the advertisers do not think black listeners have money to buy things. As a result, WCXT became an album oriented rock station and business has been good (Love, 1984, p. 18). WCXT was number one with the lucrative 18-34 age group in the market's last ratings survey and the station grossed $250,000 last year (Stokes, 1985). Advertising discrimination does not appear to spell a problem for Waters. All of her clients are white, mainly because they are the ones who own the businesses in Hart (Love, 1984, p. 18).

Substantial evidence suggests that now more black broadcasters see the bottom line in broadcasting is making money, rather than serving the black community. Increasingly, blacks find it more logical to view projected sales increase from market perspective rather than format perspective, because most black-owned stations cannot survive on ethnic budgets alone. However, should such a strategy mean that racially identifiable programmming be cast aside? Will programming any format other than black be selling out the black community (market), those people whom most black owners claimed they were going to serve when they purchased stations? (Bachman, 1976, pp. 57-65).

As a result of new philosophies and recent developments in black ownership, black broadcasting appears to be on the verge of a new frontier. Consequently, in order to gain greater insight into the future of black-owned radio and television stations, further study is needed of its present status. This study provides a step in this direction by presenting a descriptive profile of black-owned radio and television stations and an assessment of their status in the larger media environment of the broadcasting industry.

# CHAPTER III

## ASPECTS OF OWNERSHIP

Data collected for research questions 4 and 5 concerning ownership patterns and methods of acquisition of the 137 black-owned radio and television stations are presented in this chapter.

### 1. METHOD OF ACQUISITION

Black entry into broadcasting is restricted to three basic methods of station acquisition. They can (1) apply for and obtain a license for an unoccupied frequency, (2) compete for an existing station during the license renewal process, and (3) purchase an already operating station. The purchase of an existing facility is typically the simplest but the most costly method, since the value of a station is determined by things other than tangible assets.

Recognizing the great financial burden that blacks face when purchasing a broadcast property, the Federal Communications Commission has moved decisively to increase the share of minority ownership of radio and television stations. To this end, the FCC established financial incentives that encourage majority owners to sell their broadcast properties to minorities.

As a result of the FCC's course of action, the majority of black-owned radio and television stations have been acquired since 1978, the year the Federal Communications Commission adopted its Statement of Policy on Minority Ownership of Broadcasting Facilities (see Table 1). In the 1978 Policy Statement the FCC announced its intention to issue tax certificates to promote minority ownership. As stated previously, under the tax certificate program, owners of stations will get a tax credit allowing them to defer capital gains taxes if they sell their stations to minorities. The commission's 1978 Policy Statement also announced its distress sales policy to encourage sales to minorities. This incentive allows the sale of a broadcast station at a bargain price when the owner is faced with possible loss of license.

On the recommendation of the Advisory Committee, the FCC in 1982 expanded the permissible use of the tax certificate to enable minority entrepreneurs to use it as a creative financing mechanism. The commission will now issue tax certificates to investors who provide start-up capital to minority broadcast and cable enterprises. Those investors who purchase shares within the first year of commencement of operation by a new minority enterprise will be entitled to defer capital gains tax upon the sale of their interest in the enterprise (Minorities in Broadcast Ownership Status Report, 1984, p. 3).

Also in 1982, the FCC adopted the Advisory Committee's recommendation that the FCC staff be delegated authority to approve distress sale petitions which do not involve novel questions of fact, law, or policy. All distress sales, before 1982, required approval by the full commission (Status Report, 1984, p. 3).

At least 40 of the black-owned stations in this study were acquired as a result of the 1978 and subsequent 1982 FCC Policy

TABLE 1

PATTERN OF ACQUISITION BY BLACK BROADCASTERS

| Radio* | Before 1940 | 1940-1950 | 1951-1960 | 1961-1970 | 1971-1980 | Since 1980 |
|---|---|---|---|---|---|---|
| Radio* | | 3 | 7 | 9 | 53 | 35 |
| Television** | | | | | 3 | 7 |
| Totals | | 3 | 7 | 9 | 56 | 42 |

*No record for 17 stations.

**Two stations are not on the air; one station has no record of date of acquisition

Statements. In this study, 33 of the stations were purchased by means of tax certificates and seven were distress sales (See Appendix A). The remaining stations were acquired through other means.

## 2. BLACK OWNERSHIP PATTERNS

Recent figures from the National Association of Broadcasters indicate that 124 (01.44%) of the approximately 8,638 commercial radio stations and 13 (01.41%) of the estimated 920 commercial television stations are black-owned. These 137 stations (01.43%) are owned by 86 licensees; thus, 63.24% of all black-owned radio and television stations are owned by licensees who have more than one station.

According to the 1985 Broadcasting Yearbook eight, 09.30% of the licensees can be characterized as group owners (individuals and/or companies controlling three or more radio stations) (see Table 2). Two (25%) group owners are the licensees of seven stations. Inner-City Broadcasting Corporation owns three AM stations and four FM stations, and Willis Broadcasting Company owns five AM stations and two FM. Next in line with five stations are All Pro Broadcasting, Inc. (three AM, two FM), NEW Systems Group, Inc. (two AM, three FM) and Unity Broadcasting Net (three AM, two FM). The Unity Broadcasting Net, Inc. also owns the National Black Network radio service. Long-Pride Broadcasting Co., Inc. (two AM, two FM) and Marion Communications, Inc. (three AM, one FM) are in third place with four stations. The smallest group owner, Inter-Urban Broadcasting, has three stations (one AM, two FM).

Two of the licensees, EGG Dallas Broadcasting, Inc. and Johnson Publishing Co., are classified as cross owners (ownership of different media, such as newspaper and broadcast station(s) in a community, broadcast station(s) and cable system in a community, or television network and cable system anywhere). EGG Dallas Broadcasting, Inc. is the owner of Black Enterprise magazine and owner of an AM and FM radio station in Fort Worth, Texas. Johnson Publishing Company is the publisher of three black-oriented magazines, Ebony, Jet, and Ebony, Jr. and owns 100% of two AM stations in Chicago and Louisville, Kentucky. Twenty-two of the licensees maintain common ownership of different broadcast services (AM, FM, TV) in a community.

TABLE 2

DISTRIBUTION OF BLACK-OWNED STATIONS ACCORDING TO PATTERN OF OWNERSHIP

| | AM | FM | TV | Print | Market Rank | AM/FM |
|---|---|---|---|---|---|---|
| Group Owners | | | | | | |
| Unity Broadcasting Net, Inc. | 3 | 2 | | | 18 | 2 |
| All Pro Broadcasting, Inc. | 3 | 2 | | | 30 | 1 |
| Long-Pride Broadcasting Co., Inc. | 2 | 2 | | | 0 | 2 |
| Inner City Broadcasting | 3 | 4 | | | 0 | 2 |
| Marion Communications, Inc. | 3 | 1 | | | 138 | 1 |
| New System Group, Inc. | 2 | 3 | | | 22 | 1 |
| Willis Broadcasting Corp. | 5 | 2 | | | | |
| Inter-urban Broadcasting | 1 | 2 | | | 35 | 1 |
| Cross Owners | | | | | | |
| EGG Dallas Broadcasting, Inc. | 1 | 1 | | 1 | 0 | 1 |
| Johnson Publishing Co. | 2 | | | 3 | | |
| Combinations | | | | | | |
| New World Communications | | | | | 0 | 1 |
| Lifestyle Production of Penn., Inc. | | | | | 0 | 1 |
| Sheridan Broadcasting | | | | | 12 | 1 |
| Phydell Communications Corp. | | | | | 0 | 1 |
| Trident Communications Corp. | | | | | 0 | 1 |
| Booker T. Washington Broadcasting | | | | | 49 | 1 |
| Platinum Broadcasting | | | | | 150 | 1 |
| Willis Davis | | | | | 30 | 1 |
| North Delta Broadcasting, Inc. | | | | | 0 | 1 |
| WGPR | | 1 | 1 | | 7 | |
| Bell Broadcasting | | | | | 7 | 1 |
| Circuit Broadcasting | | | | | 0 | 1 |
| Interchange Communications | | | | | 0 | 1 |
| KPRS Broadcasting Corp. | | | | | 27 | 1 |

# CHAPTER IV

## STATION CHARACTERISTICS

This chapter contains data collected for research question 6 concerning the present status of black-owned radio and television stations in America.

### 1. RADIO STATIONS

Two types of commercial radio stations operate in America, AM and FM. AM refers to amplitude (loudness) modulation (varying of a carrier wave) and FM refers to frequency (pitch) modulation. Of the 124 black-owned radio stations in this study, 79 (63.71%) were AM stations and 45 (36.29%) were FM stations (see Appendix A). The majority of these stations (54, 43.55%) were located in the South, with the least number (1, 8.06%) situated in the Southeast. The South Central area accounted for 3 stations (2.41%), the East for 23 stations (18.54%), the East Central and Northeast areas each accounted for 2 stations (1.61%), and the Midwest for 25 (20.16%) stations (see Table 3).

Table 4 shows that 68 (54.84%) of the 124 stations were located in one of the leading one hundred metropolitan areas ranked according to black population. Fifty-three stations (42.74%) were located in one of the top 50 black markets and 25 leading black metropolitan areas with a potential of reaching over 13 million black Americans daily.

## TABLE 3

### DISTRIBUTION OF BLACK-OWNED COMMERCIAL AM AND FM RADIO STATIONS ACCORDING TO GEOGRAPHIC REGION

| Type | No. | Per-cent | SE[1] | SC[2] | S[3] | E[4] | EC[5] | W[6] | MW[7] | NE[8] |
|---|---|---|---|---|---|---|---|---|---|---|
| AM | 79 | 63.71 | 1 | 3 | 36 | 15 | 1 | 8 | 13 | 2 |
| FM | 45 | 36.29 | 0 | 0 | 18 | 8 | 1 | 6 | 12 | 0 |
| Total | 124 | 100.00 | 1 | 3 | 54 | 23 | 2 | 14 | 25 | 2 |
| Percent | | | 8.06 | 2.42 | 43.55 | 18.55 | 1.12 | 11.29 | 20.16 | 1.12 |

[1]Southeast [2]South Central [3]South [4]East

[5]East Central [6]West [7]Midwest [8]Northeast

## TABLE 4

### DISTRIBUTION OF BLACK-OWNED COMMERCIAL AM AND FM RADIO STATIONS ACCORDING TO MARKET RANK BY BLACK POPULATION

| Market Rank | No. | AM | FM | Percent |
|---|---|---|---|---|
| 1-25 | 37 | 25 | 12 | 29.84 |
| 26-50 | 16 | 12 | 4 | 12.90 |
| 1-50 | 53 | 37 | 16 | 42.74 |
| 51-75 | 8 | 4 | 4 | 6.45 |
| 76-100 | 7 | 5 | 2 | 5.65 |
| 51-100 | 15 | 9 | 6 | 12.10 |
| 1-100 | 68 | 45 | 22 | 54.84 |
| Non-metro area counties | 1 | 1 | 0 | 00.81 |
| Less than 25,000 population | 55 | 30 | 25 | 44.35 |
| Total | 124 | 77 | 47 | 100.00 |

## 2. POWER

In the United States power authorization for AM stations runs from 250 watts to a maximum of 50,000 watts. In this study, the majority of the 79 stations, 63 (82.87%) fell into the mid-power range, with 34 (53.97%) operating at 1,000 watts and 29 (46.03%) operating at 5,000 watts (see Table 5).

Categorized in terms of their broadcasting power, 67 stations were classified as medium size with levels ranging from 500 to 5,000 watts. Thirty stations investigated in this study were required to operate at different power levels at night. Only one station was permitted to operate at a higher power level at night.

TABLE 5

DISTRIBUTION OF BLACK-OWNED COMMERCIAL AM STATIONS
ACCORDING TO POWER

| | Stations | |
|---|---|---|
| Primary Power (Watts) | No. (N=79) | Percent |
| 250 | 4 | 5.26 |
| 500 | 5 | 6.58 |
| 1,000 | 34 | 44.74 |
| 5,000 | 29 | 38.16 |
| 10,000 | 4 | 5.26 |
| No record* | 3 | |

*Stations will not be calculated in percentage.

The conditions under which radio waves are propagated when the sun is shining are quite different from those prevailing when the sun is down. Standard AM radio stations emit two types of waves--a ground wave that follows the surface of the earth and a sky wave that goes into the atmosphere. During the day only the ground wave is picked up by radio sets, because the conditions created by sunshine prevent the sky wave from being heard. Thus, the range of the station is limited to the distance its ground wave travels. At night, however, the sky wave is reflected to earth by a section above the earth's atmosphere known as the ionosphere, giving the station a far greater range than it has during the day. If interference is to be controlled, it is obvious that all stations operating during the day cannot operate in the same way when the sun is down. Therefore, in an attempt to control or minimize interference among stations at night, the FCC has adopted a rule that requires that some stations broadcasting at night reduce their power at sundown (Chester, Garrison, and Willis, 1978, pp. 76-77).

The power levels of FM stations range between 100 watts and 100,000 watts (AM = 250 W-50,000 W). In this study, none of the 45 FM stations fell below the level of 330 watts (see Table 6). Although the power levels of the FM stations were widely distributed, there was some concentration at three levels: 8 (18.60%) at 100,000 watts, 10 (23.36%) at 50,000 watts, and 12 (37.91%) at 3,000 watts.

Generally speaking, the economic importance of a station depends a great deal on its wattage and the population of the area in which

TABLE 6

DISTRIBUTION OF BLACK-OWNED COMMERCIAL FM STATIONS ACCORDING TO POWER

| Power (Watts) | Stations | | Power (Watts) | Stations | |
|---|---|---|---|---|---|
| | No. | Percent | | No. | Percent |
| 330 | 1 | | 12,500 | 1 | |
| 680 | 1 | | 16,200 | 1 | |
| 800 | 1 | | 22,000 | 1 | |
| 1,650 | 1 | | 24,000 | 1 | |
| 1,700 | 1 | | 50,000 | 10 | 23.26 |
| 2,700 | 1 | | 72,000 | 1 | |
| 3,000 | 12 | 27.90 | 95,000 | 1 | |
| 3,300 | 1 | | 100,000 | 8 | 18.60 |
| | | | No record* | 2 | |

*Stations will not be calculated in percentage.

it broadcasts. A radio station with a strong signal is expected to reach a larger listening audience. In addition, high wattage (power) is important in overcoming interference and static. Furthermore, high wattage is regarded as psychologically useful in persuading advertisers that a station has strong audience impact (Head, 1982, p. 61).

High wattage, however, affects AM and FM broadcasting in different ways. For example, AM stations are subject to natural atmospheric and man-made static interference that tend to distort the quality of the sound that is reproduced by the radio receiver. These types of static interferences are considered random noises. There is, however, a form of distortion that is caused by the intentionally transmitted signals of stations that share the same channel or broadcast over adjacent channels: these signals compete with one another for dominance. To overcome co-channel or adjacent channel interference, an AM signal must be twenty times stronger than its competing signal(s). To complicate matters further, signal strength increases in proportion to the square root of the power: in order for a 1,000 watt station to double its signal strength, it would have to quadruple its power (Alexander, 1982, pp. 184-185). In other words, an AM signal needs to be twenty times as strong as its competing signal(s) (Head, 1982, p. 63).

In contrast, FM broadcast stations are restricted by the attributes of their wage propagation: FM reception is primarily direct waves (the sky waves go out into space and the ground waves are comparatively inefficient). The signal of each station goes only to the line of sight horizon. For this reason, there is much less danger of interference among stations. The stronger FM signal will override the weaker and there will not be the interference or static which occurs in AM broadcasting (Foster, 1978, p. 28).

Furthermore, the height of the antenna above surrounding terrain, combined with the power of the station, determines the coverage area of the FM facility. FM stations have maximum antenna heights in relation to power. Consequently, if the antenna height above average terrain is greater, power must be reduced commensurately (Broadcasting Yearbook, 1985, p. 5).

A significant difference between AM and FM broadcasting is that FM radio is static-free and it offers increased noise immunity and decreased distortion (Columbia, 1978). While high power alone does not determine FM radio coverage radius or decrease distortion, it does help to stabilize FM reception near the horizon and eliminate the need for external receiving antennas (Alexander, 1982, p. 185).

## 3. FREQUENCY

In AM radio, carrier frequencies begin at 535 kilohertz and follow in successive steps of 10 kilohertz up to 1605. This allows for 107 channels, which the FCC has divided into three major categories: clear, regional and local (Chester, Garrison, and Willis, 1978, p. 79). FM broadcasting occupies a block of frequencies running from 88 to 108 MHZ in the VHF band. The channel width is set at 200 KHZ (.2 MHZ), allowing for 100 channels. Channels are identified by the numbers 201 to 300. The lowest twenty channels from 88 to 92 megahertz are reserved for use by noncommercial educational stations (Head, 1982, p. 62).

In this study, the frequencies of the 76 AM and 43 FM stations indicate similar patterns of distribution. The frequencies of both AM and FM stations fell into the upper portion of their respective frequency bands. Sixty-one (80.26%) of the AM stations fell into the upper half of the frequency range (1070-1605 KHZ), with 43 stations (56.58%) in the fourth quartile (1337-1605 KHZ) and 18 stations (23.68%) in the third quartile (1070-1336 KHZ) (see Table 7).

TABLE 7

DISTRIBUTION OF BLACK-OWNED COMMERCIAL AM AND FM STATIONS ACCORDING TO FREQUENCY

| Quartile | AM (KHZ) | No. | Percent | FM (MHZ) | No. | Percent |
|---|---|---|---|---|---|---|
| Q1 | 535-801 | 7 | 9.21 | 88-92 | 4 | 9.30 |
| Q2 | 802-1069 | 8 | 10.53 | 93-97 | 8 | 18.60 |
| Q1 + Q2 | 535-1069 | 15 | 19.74 | 88-97 | 12 | 27.91 |
| Q3 | 1070-1336 | 18 | 23.68 | 98-102 | 11 | 25.58 |
| Q4 | 1337-1605 | 43 | 56.58 | 103-108 | 20 | 46.51 |
| Q3 + Q4 | 1070-1605 | 61 | 80.26 | 98-108 | 31 | 72.09 |
| Total | 535-1605 | 76 | 100.00 | 88-108 | 43 | 100.00 |
| No record* | | 3 | | No record* | 2 | |

*Stations will not be calculated.

The figures in Table 7 also indicate that more than half of the FM stations (31 stations, or 72.09%) were located in the upper half of the FM frequency band (98-108 MHZ). The FM stations were found to be distributed between the third and fourth quartiles. Eleven stations (25.58%) were situated in the third quartile (98-102 MHZ) and 20 stations (46.51%) were located in the fourth quartile (103-108 MHZ).

Frequency, in addition to power, is another variable that affects the way radio waves travel and the distance at which they will give reception. However, because AM and FM radio waves are propagated from different portions of the spectrum, there are major differences in the behavior and efficiency of their frequencies.

AM broadcasting depends primarily on ground waves. Ground waves travel along the contours of the earth--over and around mountains and other terrain features. Although ground waves occur at low and medium frequencies, they are most efficient in the medium wave portion of the spectrum.

FM broadcasting uses direct waves. As stated earlier, direct waves travel by line of sight from the transmitting antenna to the receiving antenna. As a consequence, the distance of direct waves is limited by antenna heights, by the curvature of the earth, and by mountains or other terrain features. To minimize this limitation, direct waves use the higher radio frequency bands and are most efficient in higher portions of the spectrum.

## 4. HOURS OF OPERATION

For purposes of this study, weekly broadcast schedules for both AM and FM stations were categorized as follows.

1. Unlimited--broadcasting around the clock.
2. Daytime only--operation solely between sunrise and sunset.

Of the 119 stations in this study the largest number, 85 (71.43%) offered "unlimited broadcast service" (see Table 8). Thirty-four stations (28.57%) maintained daytime hours of operation. A closer scrutiny of the broadcast schedules revealed that the AM stations were almost evenly distributed between daytime and unlimited schedules. Thirty-four AM stations (44.74%) were classified as daytimers and 42 AM stations (55.21%) maintained unlimited time schedules. All

TABLE 8

DISTRIBUTION OF BLACK-OWNED COMMERCIAL AM AND FM STATIONS ACCORDING TO HOURS OF OPERATION

| | AM | | FM | | Total | |
|---|---|---|---|---|---|---|
| Stations | No. | Percent | No. | Percent | No. | Percent |
| Daytime only | 34 | 44.74 | 0 | - | 34 | 28.57 |
| Unlimited | 42 | 55.26 | 43 | 100.00 | 85 | 71.43 |
| Total | 76 | | 43 | | 119 | 100.00 |
| No record* | 3 | | | | | |

*Stations will not be calculated.

of the 43 FM stations investigated in this study had unlimited time broadcast schedules.

According to FCC regulation 73.1740 regarding the minimum operating schedule of stations, each day of the week, except Sunday, both AM and FM stations are authorized to operate between 6:00 a.m. and 6:00 p.m. local time, and for two-thirds of the total hours they are authorized to operate between 6:00 p.m. and midnight. No other limitations or restrictions are mentioned for the FM stations. Consequently, in many cases where the AM station must sign off at dusk, the FM station may continue on the air through the evening. Such a reality is probably due to the fact that FM is freer of static, fading, and background overlapping of other stations' programs.

By contrast, AM radio, because of sky wave transmission, must be limited in its nighttime operations. At night, the sky wave is reflected to the earth giving the station a far greater range. Thus, in order to control signal distortion, AM coverage patterns must be protected.

The FCC has developed several strategies which attempt to control AM signal interference. One measure laid down rules regarding the time a station can be on the air (unlimited, limited daytime only, sharing time, and specified hours). A second measure requires that some stations broadcasting at night reduce their power at sundown. A third measure requires that some stations broadcasting at night operate on directional antenna system, a procedure that keeps the signal from going into an area where it would interfere with the broadcasts of other stations. Some stations are required both to reduce their power and broadcast on a directional as soon as the sun sets.

A major problem caused by the restrictions imposed on AM is that they alter the coverage pattern of the station they affect and thus may curtail, if not eliminate, potential sources of advertising revenue (Alexander, 1982, p. 192).

## 5. NETWORK AFFILIATION

The following networks were included in this study: United Press International, Associated Press, Associated Press Radio, American Broadcasting Company, Mutual Broadcasting System, National

Broadcasting Company, RKO Radio, Columbia Broadcasting System, National Black Network, Sheridan Broadcasting.

Eighty-four (71.19%) of the 118 stations in this study had an affilition with at least one of the listed networks. Sixty-two (52.54%) provided the expanded services of at least one of the black national networks. Thirty-one (26.27%) of the 118 stations offered services of the general market networks (see Table 9).

TABLE 9

DISTRIBUTION OF BLACK-OWNED COMMERCIAL RADIO STATIONS ACCORDING TO NETWORK AFFILIATION

| | No. | Percent |
|---|---|---|
| Non-affiliated | 34 | 28.81 |
| Affiliated | 84 | 71.19 |
| Total | 118 | 100.00 |
| No record[1] | 6 | |
| General market networks[2] | 31 | 26.27 |
| Networks[3] | 62 | 52.54 |

[1]Stations will not be calculated.

[2]UPI, AP, APR, ABC, MBS, NBC, RKO, CBS.

[3]NBN, Sheridan.

Network (chain) broadcasting is defined in the Communications Act as the simultaneous broadcasting of an identical program by two or more connected stations (Chester, Garrison, and Willis, 1978, p. 80). This is accomplished by transmitting the program by cable, usually leased telephone lines, from the point of origin to each outlet station of the network. The broadcasting medium offers radio stations 21 national network programming services--ranging from five-minute news snippets to long form concerts--picked up by hundreds of affiliates who will broadcast them at various times of the day (Potorti, 1985, p. 84).

Radio stations, for the most part however, are independent of network affiliation (Quaal and Brown, 1983, p. 183). This phenomenon may be due to the fact that networks contribute only about 1% of a radio station's total revenue (Head, 1982, p. 333). Stations receive compensation for carrying a particular network's programming and commercials. However, these stations can be dropped if, for example, they experience large losses in audience listenership or continually black out certain programs broadcast by the network.

## 6. STATION FORMAT

According to the 1985 Broadcasting Yearbook, approximately 264 stations use a program format that is aimed at a black audience, with heavy emphasis upon blues, soul, and other contemporary black music. The following formats were investigated in this study: Black Adult Contemporary, Urban Contemporary, Religious, Top 40, Big Band, Album Oriented Rock, Middle of the Road, Country and Western, Jazz, Music of My Life, Oldies.

Sixty-nine (59.48%) of the 116 stations programmed a black format and 37 (31.90%) fell under the umbrella of a contemporary format. This format included varieties, such as adult contemporary, adult-urban contemporary, black urban contemporary, and contemporary black.

The first step in the creation of a station image is the determination of the overall station format (Quaal and Brown, 1983, p. 183). As stations have fought to survive in an increasingly competitive environment, they have had to develop specialized formats designed to reach a specific segment of an audience. Since no single station can ever be all things to all people, and because one or two stations can no longer reach a majority of the audience, formats have been designed that target in on a demographic and/or age cell that can be delivered to an advertiser (Michaelson, 1985, p. 153).

The commercial viability of the black format focusing on the black population is clear. By 1980, about 60% of the black population lived in central cities. Blacks accounted for 50% or more of the total population in nine major cities (Black Enterprise, 1985). Although a majority of blacks reside in central cities, the black population outside central cities grew by 43% (Bureau of the Census, 1985). National advertisers must reach this massive part of major-market population if their products are to succeed competitively because the total aggregate income of some 27.9 million blacks lies somewhere between 187 and 204 billion dollars. Totals of that magnitude add up to consumer spendable income equivalent to that of the ninth largest country on the face of the earth (Swisshelm, 1986, p. A3).

## 7. MARKET SIZE

Stations are licensed to operate in specific communities, but advertisers are more interested in the "markets" they serve (Foster, 1978, p. 186). Market size refers to an area from which business tends to flow to a central community. That central city will usually provide the major banks, department stores, wholesale centers, and the major airports. When advertisers buy time on a station they are willing to pay a price commensurate with the size of the station's audience. The larger the market, the more a station can charge for its time if it has its fair share of homes tuned to it. Since station expenses tend to rise somewhat more slowly than revenues, this means the size and percentage of income (revenue less expenses) tend to be substantially greater as the size of the market increases.

In this study four categories of radio market size were investigated: major (more than one million population), large 250,000 to one million), medium, 50,000 to 250,000) and small (less than 50,000 population) (Stone, 1985, p. 36). Eighty-five stations (69.11%) were located in cities with populations of 250,000 population (see Table 10).

Further examination of Table 10 reveals that a majority of the AM stations, 54 (68.35%) were located in large and major markets,

TABLE 10

DISTRIBUTION OF BLACK-OWNED COMMERCIAL RADIO STATIONS ACCORDING TO MARKET SIZE

| Market Size | No. | AM | Percent | FM | Percent | Total |
|---|---|---|---|---|---|---|
| Major[1] | 51 | 32 | 62.75 | 19 | 37.25 | 41.13 |
| Large[2] | 34 | 22 | 64.71 | 12 | 35.29 | 27.42 |
| Medium[3] | 29 | 19 | 65.52 | 10 | 34.48 | 23.39 |
| Small[4] | 10 | 6 | 60.00 | 4 | 40.00 | 8.06 |
| Total | 124 | 79 | 63.71 | 45 | 36.29 | 100.00 |

[1]More than one million population.

[2]250,000 to one million population.

[3]50,000 to 250,000 population.

[4]Less than 50,000 population.

and two-thirds of the FM stations, 31 (68.89%) were located in markets with populations of 250,000 or more. Ten (8.06%) of the commercial stations were located in markets with populations of less than 50,000. Six (60%) were AM stations and four stations (40%) were FM.

8. TELEVISION STATIONS

Today, there are about 1,194 television stations on the air in the United States: 539 are commercial VHFs (very high frequency), and 365 commercial UHFs (Ultra high frequency) (Broadcasting Yearbook, 1985). As there is AM and FM in radio, there is VHF and UHF in television. Very high frequency (VHF) stations are the AM of television (Pember, 1983, p. 178). The VHF stations occupy the frequencies 54 to 72 MHZ (Channels 2, 3 and 4), 76 to 88 MHZ (Channels 5 and 6), and 174 to 216 MHZ (Channels 7 and 13) (Broadcasting Yearbook, 1985, p. A3).

Ultra high frequency (UHF) is that portion of the radio spectrum which opened up to television stations after the demand for television service exceeded the amount of space available on the VHF bands. This expanded portion of the television service occupies the frequencies from 470-890 MHZ (Channels 14-83) Broadcasting Yearbook, 1985, p. A3).

The VHF stations' signal is strong and produces a sharp picture on the receiver. However, unlike VHF, UHF signals are technically inferior. UHF signals are more subject to being cut off by buildings and other obstructions in their path. Such objects cast radio shadows just as they would in the path of a light beam. On the other hand, UHF waves have the advantage in being more directional than VHF waves, so that UHF receiving antennas are better able to reject reflections that cause ghosts. Furthermore, UHF signals alternate more rapidly than VHF signals because of their susceptibility to absorption by the atmosphere. Although FCC rules permit UHF stations to use much higher power than VHF stations (up to five million watts) to compensate for the difference, VHF retains a coverage advantage (Head, 1982, p. 75). Consequently, the VHF television station has a greater advantage over the UHF station both in building an audience and capturing advertisers (Pember, 1983, p. 178).

Of the 13 black-owned commercial television stations in this study, four (30.77%) were VHF and nine (69.23%) were UHF. (Please see Appendix B). Four of these stations (30.77%) were located in the South, and both the West and Midwest each claimed three stations (23.08%). Two stations (15.38%) were located in the East, and the Northeast claimed one station (7.69%) (see Table 11).

Table 12 shows that eight (61.54%) of the 13 stations were located in one of the leading 100 metropolitan areas ranked according to black populations. Three stations (23.08%) were located in one of the top 50 black markets, and two stations (15.38%) were concentrated in one of the 25 leading black metropolitan areas with a potential reach of over two million black Americans.

## 9. NETWORK AFFILIATION

Two networks were included in this study: ABC and NBC. Eight (61.54%) of the stations in this study were independent and five (38.46%) were affiliated with a network (ABC, 3, 60%; NBC, 2, 20%) (see Table 13).

The three national networks (ABC, NBC and CBS) generate over 40% of commercial television's total revenue (Head, 1982, p. 333). Each network serves both programming and business functions for stations throughout the country, servicing them with programs they cannot produce themselves and providing income from national advertisers that might otherwise never be spent on television (Chester, Garrison, and Willis, 1978, p. 81).

TABLE 11

DISTRIBUTION OF BLACK-OWNED COMMERCIAL TELEVISION STATIONS ACCORDING TO GEOGRAPHIC REGION

| Type | No. | Percent | S | E | W | MW | NE |
|---|---|---|---|---|---|---|---|
| UHF | 9 | 69.23 | 3 | 1 | 2 | 3 | 0 |
| VHF | 4 | 30.77 | 1 | 1 | 1 | 0 | 1 |
| Total | 13 | 100.00 | 4 | 2 | 3 | 3 | 1 |
| Percent | | | 30.77 | 15.38 | 23.08 | 23.08 | 7.69 |

TABLE 12

DISTRIBUTION OF BLACK-OWNED COMMERCIAL TELEVISION STATIONS ACCORDING TO MARKET RANK BY BLACK POPULATION

| Market Rank | No. | Percent |
|---|---|---|
| 1-25 | 2 | 15.38 |
| 26-50 | 1 | 7.70 |
| 1-50 | 3 | 23.08 |
| 51-75 | 2 | 15.38 |
| 76-100 | 3 | 23.08 |
| 51-100 | 5 | 38.46 |
| 1-100 | 8 | 61.54 |
| Non-metro area counties | 0 | 0 |
| Less than 25,000 population | 5 | 38.46 |
| Total | 13 | 100.00 |

TABLE 13

DISTRIBUTION OF BLACK-OWNED COMMERCIAL TELEVISION STATIONS ACCORDING TO NETWORK AFFILIATES

| | No. | Percent |
|---|---|---|
| Independent | 8 | 61.54 |
| Affiliated | 5* | 38.46 |
| Total | 13 | 100.00 |

*NBC = 2; ABC = 3.

The economic link between a network and an affiliate is formalized in an affiliation contract which is renewable every two years (Head, 1982, p. 334). Under television affiliation agreements, the stations give the network the right to sell certain hours of a station's broadcast time at established rates to national advertisers and to provide the programs that the stations will broadcast during those hours subject to clearance by the station of the individual program or series. In return, the network agrees to provide these programs without charge to the stations and to give them a portion of the money received from the advertiser.

The network pays all advertising agency commissions and incentive discounts and absorbs any cost involved in the production of programs. In addition, networks produce, at their own expense, cultural, religious and public-service programs which are offered without charge as sustaining programs to affiliated stations.

Stations supplement their income by the sale of station break announcements that come at the end and sometimes in the middle of network programs (Chester, Garrison, and Willis, 1978, p. 81).

## 10. MARKET SIZE

As stated previously, profitability is closely associated with market size. Television stations, because of the high cost of operation, can survive commercially only in relatively large communities. However, the correspondence between market size and profitability is not absolute. Markets of identical size (numbers of households) vary and the efficiency of the broadcast managements may also vary.

According to the Arbitron Company's ranking of the television markets by size, five stations (38.46%) were located in the top 100 markets and three stations (23.08%) were located in markets 101-160 (see Table 14).

Furthermore, figures from Table 14 reveal that two stations (15.38%) were located in the top ten markets and two stations were located in markets 151-160. One station (7.69%) was found in each of the following markets: 11-20, 31-40, 81-90, and 141-150.

TABLE 14

DISTRIBUTION OF BLACK-OWNED COMMERCIAL TELEVISION STATIONS ACCORDING TO MARKET SIZE

| Market | No. | Percent |
| --- | --- | --- |
| 1-10 | 2 | 15.38 |
| 11-20 | 1 | 7.69 |
| 31-40 | 1 | 7.69 |
| 81-90 | 1 | 7.69 |
| 1-100 | 5 | 38.46 |
| 141-150 | 1 | 7.69 |
| 151-160 | 2 | 15.38 |
| 141-211 | 3 | 23.08 |
| Over 211 | 5 | 38.46 |
| Total | 13 | 100.00 |

# CHAPTER V

## GENERAL SUMMARY AND RESULTS OF INTERVIEWS

This chapter is divided into two sections. The first section provides a general summary of the data collected on black-owned radio and television stations. The second section presents responses from black owners/managers gathered in personal and telephone interviews.

### 1. SUMMARY

This study provided data collected on black-owned commercial radio and television stations regarding methods of financing, aspects of ownership and station characteristics for 1985. The selected population of black-owned stations consisted of 124 radio stations and 13 television stations.

More than 50% of the black-owned radio and television stations in this study were acquired during the past 15 years. All of the television stations were acquired since 1975.

Ownership patterns were examined for the 137 black-owned stations. Eighty-six licensees accounted for nearly 70% of the stations, with eight classified as group owners. Furthermore, two licensees were classified as crossowners and more than 25% of the licensees maintain common ownership of stations in the same market.

Nearly one-half of the 137 stations were located in the South, with more than 20% in the East and Midwest. More than half of the stations (58.84%) were located in one of the leading black metropolitan areas; over 40% were in one of the top 50 black markets, and nearly 30% were located in one of the 25 leading black metropolitan areas.

A majority of the 79 AM stations were concentrated at the mid-power range, at either 500, 1,000, or 5,000 watts, with the 1,000 watt level accounting for almost half of the AM stations. Also, daytime and nighttime power were different for over one-third of the 79 AM stations.

In this study, the FM station power levels ranged from 330 watts to 100,000 watts. However, almost two-thirds of the FM stations were concentrated at only three power levels, 3,000 watts, 50,000 watts and 100,000 watts, with the latter accounting for almost 20% of the total FM stations.

Over two-thirds of the 124 radio stations were located in the upper portion of the frequency band. Both the AM and FM stations had a greater number in the uppermost quarter of the frequency spectrum.

More than 50% of the 124 stations had unlimited hours of operation, and only 28.57% were limited to daytime only schedules.

Eighty-four of the 124 stations in this study used the extended services of at least one national network. More than half of these stations included programming from one of the black national networks and over 25% used the services of general market networks. In addition, most of the black-owned television stations in this study were independent of network affiliation.

More than 50% of the radio stations programmed to a black audience and 31.90% had a variant contemporary format that could have general audience appeal.

Four market sizes were investigated in this study: major, large, medium and small. More than 60% of the radio stations were located in large and major markets. Less than 10% of the stations were located in small markets. In addition, more than one-third of the television stations were located in the top 100 markets.

## 2. INTERVIEW RESPONSES

In an effort to understand any phenomenon, researchers can follow one of several methods of inquiry. And yet, most will agree that there is no one perfect approach to answering research questions. In this study the writer used personal and telephone interviews as a means of reporting on the current status of black-owned radio and television stations.

While telephone and personal interviews are both legitimate methods of conducting research, they both have serious disadvantages. The single largest drawback is the problem of the interviewee's purposeful deception. Persons interviewed may deliberately provide the researcher with incorrect answers that create spurious results. There is almost nothing which can be done about subjects who knowingly lie in their responses. At present, there are no acceptable and valid method of determining whether an interviewee's answers are truthful. Consequently, the answers must be accepted as they are given.

Without a doubt, the discussed disadvantage is a crucial one. However, previous research reveals that telephone and personal interviews do produce reliable and useful information. Therefore, in view of the pros and cons of the interview method of research, it is incumbent upon this writer to tread lightly, exercise caution, and weigh each response before drawing conclusions that generalize to the total population of black broadcasters.

Although many aspects of broadcasting were discussed with black broadcasters, the following questions were examined in more detail:

1. Why did you become a broadcaster?

The answers to this question varied. However, the overwhelming majority of the respondents viewed broadcasting as a means of serving the black community. In the words of one broadcaster, "Black ownership brings with it black responsibility. . . . The broadcasting media is a powerful influence, and thus very important for reaching black people and educating them to issues which affect their lives."

2. Did you, as a broadcaster, have prior broadcast experience? Do your employees have broadcasting degrees and/or broadcast experience?

All but two respondents had little or no prior broadcast experience. However, most got to know the business very well once they purchased a station. As for hiring employees with degrees, the answer to this question was a curt one. As one broadcaster stated, "Some employees do [have degrees] and some don't. We take them in and train them according to our standards and expectations."

3. Where does your station obtain its advertising dollars?

With one exception, each black broadcaster agreed that much of their advertising revenue was drawn from local businesses and black churches. However, according to one broadcaster, the sales department of his station has to work harder at convincing local businesses to buy black, but they do prevail. Very few problems are encountered with seeking national advertising dollars because national advertisers are aware of black consumer power.

4. How do the ratings affect your station?

Most black broadcasters interviewed agreed that local business buys are slightly affected by the Arbitron or Birch reports. One broadcaster commented that only at the national level are ratings perceived as the gospel truth of a station's audience appeal.

5. What is your station's format, and why?

From the information gathered, black broadcasters have a die-hard philosophy that if a station is black-owned, it must reflect a black format. The general consensus was a "black or urban format provides music/information that appeals to blacks, for blacks, and by blacks." One broadcaster even went further to say that his advice to all black broadcasters is to "program a mixture of black, urban and inspirational" because such a format increased his station's revenue from \$1-\$14 million a year since he took ownership.

6. What are some major problems that black-owned stations face in the marketplace?

The overwhelming problem seemed to reflect the lack of awareness of the black market. One broadcaster stated that more needed to be done to increase awareness of blacks as a viable consumer market.

7. Would you advise a future black broadcaster to buy an AM, FM, or television station?

Most interviewed agreed that while television ownership can yield enormous profits, the endeavor is initially quite capital intensive. To sum up the choice between AM and FM, one broadcaster hinted that a future broadcaster would probably be better off with an FM facility

8. What are some trends in black broadcasting?

The most significant trend seems to be that more and more black-owned stations are being run by management teams that drop in once a month with suggestions on how the station can make a profit. One interviewee commented that this type of management could signal the demise of a station because in order to operate a station and run it well, "the owners/managers need personal involvement with the station and the community/public it serves."

While these comments gathered from approximately 25% of the black owners/managers do not necessarily reflect what is occurring at all black-owned stations, they do serve to give the writer a deeper insight into how black owners/managers perceive their role and status as broadcasters. As stated previously, the writer recognizes that extreme caution must be exercised in generalizing these comments to black broadcasters as a whole.

# CHAPTER VI

## CONCLUSIONS AND RECOMMENDATIONS

In this chapter broad generalizations are made from research findings. The patterns that emerged in black ownership are analyzed in order to determine the distinctions that make black ownership unique. Furthermore, this chapter provides recommendations for further research in black ownership of broadcast facilities.

This study attempted to formulate a description of black-owned radio and television stations and investigated some of the economic factors which determine the success or failure of a broadcast property. It was noted that because of the broadcasting industry's difficulty in coping with racial diversity in programming and hiring practices, the Federal Communications Commission took concrete steps to foster minority ownership of broadcast facilities. It was established that the FCC's firm policy sought to alleviate the chronic underrepresentation of minority viewpoints by increasing the number of minority owners in broadcasting who, through the exercise of editorial control, could then diversify the selection of programming available to the public (Hammond, 1982, p. 32).

Until recently broadcasting has been in the virtual control of white America, in part because of socioeconomic obstacles that thwarted minority ownership of broadcast facilities. Traditional lending institutions have failed to view minority broadcast facilities as viable economic investments. Furthermore, the "old boy network" has kept minorities on the periphery of broadcasting; unaware of choice and/or available properties.

In addition, it was revealed that a significant problem facing potential black owners was the shortage of capital. Findings indicate that there are investment enterprises, called MESBICS, that provide financial, as well as administrative and technical, assistance to prospective minority broadcasters.

Recent studies done on black-oriented stations indicate that most of the determinants that establish the condition or weigh heavily when deciding the success or failure of a broadcast facility do not vastly differ from mainstream radio and television (Alexander, 1982, pp. 215-257). However, the findings from this study do seem to indicate that the most obvious distinctions between black-owned radio and television stations and the total commercial broadcasting industry are ownership patterns, radio station format and television network affiliation.

Substantial evidence suggests that these differentials may present major problems relative to the profitability of black-owned broadcast facilities. For instance, before 1978 blacks were, for the most part, shut out of the broadcasting industry, at both the ownership and employment levels. Therefore, the lack of broadcasting experience and/or management expertise is probably the most devastating economic factor plaguing black-owned stations today. Commercial broadcasting dictates a diversity of activities emanating from the programming, engineering and sales departments which require specific knowledge and skills. Consequently, the complexity of this industry demands that stations be run like businesses by experienced broadcasters who can produce profits. Unfortunately, according to a Communications lawyer, black owners have traditionally been doctors with little or no broadcast experience. Broadcast properties were bought for prestige, personal satisfaction, or as tax advantages.

With few exceptions, black-owned radio stations program a black format. Yet, previous research has indicated that the minority orientations of stations limit the potential audience (Soley and Hough, 1978, p. 461). As a result, advertising buys are made with specifications that mandate no black or urban formats (Radio Only, 1986, p. 48). Furthermore, even if the black station is bought, the advertising community is willing to pay a much greater cost per thousand for non-black listeners than for black listeners (Radio Only, 1986, p. 48).

Many black owners of black-formatted stations are struggling to maintain operations in these times of increased competition for advertising revenue. A review of the Arbitron spring 1983 survey of the top 10 stations of 100 measured markets showed only one black-owned station listed and 12 black-formatted, majority-owned stations. Only three black-owned stations ranked among the top ten in three major markets with high priority populations (Variety, 1985, p. 174).

While most commercial television stations are network-affiliated (72.35%) only five (38.46%) of the black-owned television stations were network affiliates. As stated previously, the three major networks, ABC, NBC, and CBS, generate over 40% of a commercial television station's total revenue. Thus, as a rule stations operate independently only when they are unable to obtain a network affiliation. Independent television stations, which must draw all their own income from local and national spot advertising and must produce all their own programs, compete with network affiliates under great handicaps. On the whole, most independent stations have a difficult economic struggle. As a group, they have lost money because the independent stations do not have the popular current network programs. Hence, the independent will attract less audience and be less profitable than the affiliates in the same community.

Despite grim reports, black ownership of broadcast facilities should be pursued. Although there are existing and potential roadblocks to the profitability of black-owned stations, blacks should continue to take the risk with the hope of achieving professional competence and putting it to productive use. Economic parity in the broadcasting industry will not be reached until black broadcasters develop strategies that will help them compete with the establishment.

The writer does not claim to have all the facts, but the evidence thus far indicates that black ownership will continue to grow, but the question of whether black-owned stations will prove to be profitable in the future is yet to be answered. The writer will state, however, that certain problems peculiar to black ownership must be resolved before new levels of success can be recognized. It is at this point that the following recommendations are made:

1. Future researchers should determine the exact number of black-owned broadcast facilities and indicate the percentage level of black control.

2. As a follow-up to this study, researchers can determine the method of acquisition for each black-owned facility.

3. Researchers can determine the market value of each black-owned station and draw comparisons to majority-owned stations in the same market.

4. Researchers can provide a listing of the ratings of each black-owned station.

5. Researchers should record the background experiences of black broadcasters and determine if there is a correlation between their findings and the success of the stations.

6. Researchers should assemble a list of major national advertisers that support black-owned stations. The amount of advertising billings for each advertiser should be recorded.

7. Researchers should determine the number of black facilities that have gone into receivership and the reason(s) why. Furthermore, the researcher can determine if the station's license was transferred to a minority or majority investor.

8. Researchers should gather information relative to the background and salaries of employees operating black stations.

9. Researchers should evaluate management techniques of black broadcasters to determine if there is a correlation between the technique and the success of the station.

10. Researchers can determine whether black owners use feasibility studies or market research to determine station format and programming.

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# APPENDICES

# APPENDIX A

# RADIO STATIONS' CHARACTERISTICS

| Call Letters and Type | Location | Frequency | Power | Hours of Operation | Market Rank by Black Pop. | Station Format | Network Affiliate | Date of Acquisition |
|---|---|---|---|---|---|---|---|---|
| WTQX-AM | Selma, AL | 1570 khz | 5000 W | D | less | Black | NBN | 3/14/79 |
| WZZA-AM | Tuscumbia, AL | 1410 khz | 500 W | D | less | Black | NBN | 1/9/78 |
| WBIL-AM | Tuskegee, AL | 580 khz | 500 W | D | less | Contemp. Black | Sheridan | 8/75 |
| WBIL-FM | Tuskegee, AL | 95.9 mhz | 2700 W | U | less | Black | Sheridan | 4/78 |
| WEUP-AM | Huntsville, AL | 1600 khz | 5000 W<br>500 W-N | U | 96 | Black | Sheridan AP | 10/9/81 |
| WAGG-AM | Birmingham, AL | 1320 khz | 5000 W | D | 19 | Gospel Religious | NBN | 2/76[6] |
| WENN-FM | Birmingham, AL | 107.7 mhz | 100,000 W | U | 19 | Adult, Contemp. Black | NBN | 9/69[6] |
| WAJO-AM | Marion, AL | 1310 khz | 5000 W | D | less | Black | NBN | 9/1/81[6] |
| WAPZ-AM | Montgomery, AL | | | | 52 | | | |
| KYDE-AM | Pine Bluff, AR | 1590 khz | 1000 W | D | less | Farm Black Religious | | 1978[6] |
| KDJC-AM | Jacksonville, AR | | | | less | | | |
| KPLM-FM | Palm Springs CA | 106.1 mhz | 50,000 W | U | less | Big Band | | 1/24/83 |
| KACE-FM | Inglewood, CA | 103.9 mhz | 1650 W | U | less | Contemp. Soul | AP | 3/77 |
| KLIP-AM | Fowler, CA | 1220 khz | 250 W | D | less | Black, Jazz, Blues | Sheridan | 1978[6] |
| KJLH-FM | Compton, CA | 102.3 mhz | 3000 W | U | less | Black Jazz Religious | Sheridan UPI | [6] |
| KJOP-AM | Lemoore, CA | 1240 khz | 250 W | D | less | Black | NBN | 2/25/83 |
| KDIA-AM | Oakland, CA | 1310 khz | 5000 W | U | 18 | | NBN | |
| KFOX-FM | Redondo Bch., CA | 93.5 mhz | 3000 W | U | less | Top 40 | | 6/26/79[6] |

| Call Letters and Type | Location | Frequency | Power | Hours of Operation | Market Rank by Black Pop. | Station Format | Network Affiliation | Date of Acquisition |
|---|---|---|---|---|---|---|---|---|
| KGFS-AM | Los Angeles, CA | 1230 khz | 1000 W-D<br>100 W-N | U | 3 | Black | Sheridan<br>APR | 2/79[6] |
| KUTE-FM | Los Angeles, CA | 101.9 mhz | 680 W | U | 3 | Top 40 | Sheridan<br>APR | 1979[6] |
| KRE-AM | Berkeley, CA | 1400 khz | 1000 W | U | less | Adult Contemp.<br>Religious<br>Top 40 | Sheridan | 1979 |
| KBLX-FM | Berkeley, CA | 102.9 mhz | 50,000 W | U | less | Adult Contemp. | | 8/29/49 |
| WKNO-AM | Windsor, CT | 1480 khz | 500 W | D | less | Black | Sheridan<br>NBN | 7/21/81[7] |
| WOL-AM | Washington, DC | 1450 khz | 1000 W-D<br>250 W-N | U | 3 | Black<br>Soul | APR<br>Sheridan | 10/3/80[7] |
| WUST-AM | Washington, DC | 1120 khz | 1000 W | D | 3 | Gospel | | 9/15/81 |
| WYCB-AM | Washington, DC | 1340 khz | 1000 W.D.<br>250 W-N | U | 3 | Gospel<br>Contemp. | Sheridan | 1978 |
| WHUR-FM | Washington, DC | 96.3 mhz | 24,000 W | U | 3 | | | |
| WTMP-AM | Tampa, FL | 1150 khz | 5000 W-D<br>2500 W-N | U | 25 | Black | Sheridan | 4/21/83[6] |
| WIGO-AM | Atlanta, GA | 1340 khz | 1000 W-D<br>250 N | U | 8 | Black | ABC | 9/10/81 |
| WALG-AM | Albany, GA | 1590 khz | 5000 W-D<br>1000 W-N | U | 89 | Contemp. | ABC | 1984 |
| WKAK-FM | Albany, GA | 101.7 mhz | 3000 W | U | 89 | Country | ABC | |
| WBUS-FM | Atlanta, GA | | | | 8 | | | |
| WJIZ-FM | Albany, GA | 96.3 mhz | 100,000 W | U | 89 | Black<br>Soul | Sheridan<br>MBS | 1/65[7] |
| WJPC-AM | Chicago, IL | 950 khz | 1000 W-D<br>5000 W-N | U | 2 | Adult<br>Urban<br>Contemp. | NBN | 5/29/73 |
| WVON-AM | Cicero, IL | 1450 khz | 1000 W-D<br>250 W-N | U | less | Black<br>Urban<br>Contemp. | | 1979 |

| Call Letters and Type | Location | Frequency | Power | Hours of Operation | Market Rank by Black Pop. | Station Format | Network Affiliation | Date of Acquisition |
|---|---|---|---|---|---|---|---|---|
| WLTH-AM | Gary, IN | 1370 khz | 1000 W-D 500 W-N | U | 41 | Contemp. Black | Sheridan | 8/27/81 |
| WMLF-AM | Indianapolis, IN | 1310 khz | 5000 W-D 1000 W-N | U | 30 | Music of Your Life | NBC MBS | 10/84 |
| WTLC-FM | Indianapolis, IN | 105.7 mhz | 50,000 W | U | 30 | Urban, Jazz, Gospel, Contemp. | | 8/21/81[6] |
| WWCA-AM | Gary, IN | 1270 khz | 1000 W | U | 41 | Religious | ABC | 7/1/83 |
| KQAM-AM | Wichita, KA | 1410 khz | 5000 W-D 1000 W-N | U | less | Oldies | RKO | 7/27/80[6] |
| KEYN-FM | Wichita, KA | 103.7 mhz | 95,000 W | U | less | Top 40 | RKO | 7/27/80 |
| KTPK-FM | Topeka, KA | 106.9 mhz | 100,000 W | U | less | Country, Western | | 11/25/74 |
| WJYL-FM | Jeffersontown, KY | 101.7 mhz | 3000 W | U | less | Adult Contemp. | ABC | 12/16/84 |
| WLOU-AM | Louisville, KY | 1350 khz | 5000 W | D | 44 | Black, Jazz Religious | | 11/1/82 |
| KBCE-FM | Boyce, LA | 102.3 mhz | 3000 W | U | less | Black | Sheridan | 3/29/82 |
| KTRY-AM | Bastrop, LA | 730 khz | 250 W | D | less | Black | NBN | 11/14/77 |
| KTRY-FM | Bastrop, LA | 94.3 mhz | 3000 W | U | less | Black Jazz | NBN | 11/14/77 |
| KJCB-AM | Lafayette, LA | 770 khz | 1000 W | U | 87 | Black | | 1984 |
| WXOK-AM | Baton Route, LA | 1460 khz | 5000 W-D 1000 W-N | U | 33 | Black Urban Contemp. | NBC | 11/1/81 |
| WYLD-AM | New Orleans, LA | 940 khz | 10,000 W-D 500 W-N | U | 10 | Urban Contemp. | | 1980[6] |
| WYLD-FM | New Orleans, LA | 98.5 mhz | 100,000 W | U | 10 | Jazz, Urban, Contemp. | | 1975[6] |
| KQXL-FM | New Roads, LA | 106.3 mhz | 3000 W | U | less | Top 40 | | [6] |
| WBOK-AM | New Orleans, LA | 1230 khz | 1000 W-D 250 W-N | U | 10 | Urban Contemp. Inspirational | Sheridan | 1983 |

| Call Letters and Type | Location | Frequency | Power | Hours of Opera-tion | Market Rank by Black Pop. | Station Format | Net-work Affilia-tion | Date of Acqui-sition |
|---|---|---|---|---|---|---|---|---|
| WEBB-AM | Baltimore, MD | 1360 khz | 5000 W | U | 9 | Gospel Adult, Contemp. Black | Sheridan | 11/20/79 |
| WITH-AM | Baltimore, MD | 1230 khz | 1000 W-D 250 W-N | U | 9 | Music of Your Life | MBS | 4/24/80 |
| WEAA-FM | Baltimore, MD | 88.9 mhz | 12,500 W | U | 9 | Black, Jazz | | |
| WILD-AM | Boston, MA | 1090 khz | 5000 W | D | 29 | Urban Contemp. | NBN Sheridan | [6] |
| WGPR-FM | Detroit, MI | 107.5 mhz | 50,000 W | U | 6 | Black | | 7/19/64 |
| WCHB-AM | Inster, MI | 1440 khz | 1000 W | U | less | Soul | NBN | 11/56 |
| WJZZ-FM | Detroit, MI | 105.9 mhz | 22,000 W | U | 6 | Jazz | | 1960 |
| WDZZ-FM | Flint, MI | 92.7 mhz | 3000 W | U | 67 | Urban Contemp. | Sheridan | 9/29/79[6] |
| WKSG-FM | Mt. Clemens, MI | 102.7 mhz | 50,000 W | U | less | Adult Rock | | 1979[6] |
| WCXT-FM | Hart, MI | 105.3 mhz | 100,000 W | U | less | Album Oriented Rock | | 9/14/83 |
| WORV-AM | Hattiesburg, MS | 1580 khz | 1000 W | D | less | Black | NBN | 6/7/69 |
| WJMG-FM | Hattiesburg, MS | 92.1 mhz | 3000 W | U | less | Adult Contemp. | Sheridan | 5/10/82 |
| WESY-AM | Leland, MS | 1580 khz | 1000 W | D | less | Gospel Black | Sheridan | 4/8/58 |
| WBAD-FM | Leland, MS | 94.3 mhz | 3000 W | U | less | Black | Sheridan | 5/12/76[6] |
| WACR-AM | Columbus, MS | 1050 khz | 1000 W | D | less | Adult Contemp. Black Religious | NBN | 11/1/82[6] |
| WACR-FM | Columbus, MS | 103.9 mhz | 3000 W | U | less | Black Urban Contemp. | | |

| Call Letters and Type | Location | Frequency | Power | Hours of Operation | Market Rank by Black Pop. | Station Format | Network Affiliation | Date of Acquisition |
|---|---|---|---|---|---|---|---|---|
| KRPT-AM | Kansas City, MO | 1590 khz | 1000 W | D | 22 | Black Religious | Sheridan | 1950 |
| KPRS-FM | Kansas City, MO | 103.3 mhz | 100,000 W | U | 22 | Soul Music Black | | 1963 |
| KATZ-AM | St. Louis, MO | 1600 khz | 5000 W | U | 11 | Black | NBN | 1955[6] |
| WZEN-FM | Alton, IL | 100.3 mhz | 50,000 W | U | less | Black | | 12/31/78 |
| KIRL-AM | St. Charles, MO | 1460 khz | 5000 W-D 500 W-N | U | less | Jazz Religion | | 1/2/80[6] |
| WNJR-AM | Newark, NJ | 1430 khz | 5000 W | U | 12 | Black Urban Contemp. | NBN | 9/14/82 |
| WUSS-AM | Atlantic City, NJ | 1490 khz | 1000 W-D 250 W-N | U | 94 | Progressive Black | NBN | 1974 |
| WIMG-AM | Trenton, NJ | 1300 khz | 5000 W-D 1000 W-N | U | 78 | Middle of the Road | ABC | |
| WWRL-AM | New York, NY | 1600 khz | 5000 W | U | 1 | Inspirational | NBN | |
| WDKX-FM | Rochester, NY | 103.9 mhz | 800 W | U | 64 | Urban Contemp. Jazz | NBN | 4/6/74 |
| WLIB-AM | New York, NY | 1190 khz | 10,000 W | D | 1 | Black | | 7/72 |
| WBLS-FM | New York, NY | 107.5 mhz | 50,000 W | U | 1 | Urban Contemp. | | 9/15/65 |
| WBMS-AM | Wilmington, NC | 1340 khz | 1000 W | U | less | Urban Contemp. | | 4/27/84 |
| WARR-AM | Warrenton, NC | 1520 khz | 1000 W | D | Less | Black | NBN | 3/1/78 |
| WAAA-AM | Winston Salem, NC | 980 khz | 1000 W | D | 26 | Black | NBN | 9/1/56 |
| WRSV-FM | Rocky Mt., NC | 92.1 mhz | 1700 W | U | less | Black | | 1949 |
| WVOE-AM | Chadbourn, NC | 1590 khz | 1000 W | D | less | Black | NBN | 4/24/62 |
| WSMX-AM | Winston Salem, NC | 1500 khz | 10,000 W | D | 26 | Country & Western | ABC | 10/4/77 |

| Call Letters and Type | Location | Frequency | Power | Hours of Operation | Market Rank by Black Pop. | Station Format | Network Affiliation | Date of Acquisition |
|---|---|---|---|---|---|---|---|---|
| WBLZ-FM | Hamilton, OH | 103.5 mhz | 16,200 W | U | less | Urban Contemp. | | 5/78[6] |
| WCIN-AM | Cincinatti, OH | 1480 khz | 5000 W-D<br>500 W-N | U | 25 | Jazz Black | NBN | 9/82[6] |
| KAEZ-FM | Oklahoma City, OK | 107.7 mhz | 100,000 W | U | 58 | Black Jazz, Urban Contemp. | Sheridan | 9/72 |
| WCDL-AM | Carbondale, PA | 1440 khz | 5000 W | D | less | Middle of the Road | ABC | 8/26/81[6] |
| WLSP-FM | Carbondale, PA | 94.3 mhz | 330 W | U | less | Country & Western | | 1981 |
| WAMO-AM | Pittsburgh, PA | 860 khz | 1000 W | D | 27 | Gospel Religious | Sheridan | 3/1/83 |
| WAMO-FM | Pittsburgh, PA | 105.9 mhz | 72,000 | U | 27 | Urban Contemp. | Sheridan | 3/1/83 |
| WVAM-AM | Altoona, PA | 1430 khz | 5000 W-D | U | less | Country & Western | NBC | 9/80[7] |
| WPRR-FM | Altoona, PA | 100.1 mhz | 3000 W | U | less | Adult Contemp. | NBC | 1976[7] |
| WYIS-AM | Phoenixville, PA | 690 khz | 1000 W | D | less | Black | APR | 8/23/78 |
| WDAS-AM | Philadelphia, PA | 1480 khz | 5000 W-D<br>1000 W-N | U | 5 | Black Gospel | NBN | 1979[7] |
| WDAS-FM | Philadelphia, PA | 105.3 mhz | 3300 W | U | 5 | Black | | 1979[7] |
| WQIZ-AM | St. George, SC | 810 khz | 5000 W | D | less | Black Religious | Sheridan | 12/3/79[6] |
| WKQB-FM | St. George, SC | 107.5 mhz | 100,000 W | U | less | Top 40 | | 12/3/79[6] |
| WVGB-AM | Beaufort, SC | 1490 khz | 500 W-D<br>250 W-N | U | non-metro | Urban Contemp. | Sheridan | 1/2/83 |
| WOIC-AM | Columbia, SC | 1320 khz<br>2500 W-N | 5000 W-D | U | 40 | Black Contemp. | NBN | 2/1/74 |
| WLOK-AM | Memphis, TN | 1340 khz<br>250 W-N | 1000 W-D | U | 13 | Black | Sheridan | 1/12/77 |
| WBMK-AM | Knoxville, TN | 1430 khz | 5000 W | D | less | Black Gospel Jazz | Sheridan | 1960 |

| Call Letters and Type | Location | Frequency | Power | Hours of Opera-tion | Market Rank by Black Pop. | Station Format | Net-work Affilia-tion | Date of Acqui-sition |
|---|---|---|---|---|---|---|---|---|
| WVOL-AM | Berry Hills, TN | 1470 khz | 5000 W-D<br>1000 W-N | U | less | Black | NBN, UPI | 5/16/80 |
| KCOH-AM | Houston, TX | 1430 khz | 1000 W | D | 7 | Black Rhythm & Blues | Sheridan NBN | 12/10/75 |
| KHVN-AM | Ft. Worth, TX | | | | 48 | | | |
| KDHZ-FM | Ft. Worth, TX | | | | 48 | | | |
| KAYC-AM | Beaumont, TX | 1450 khz | 1000 W-D<br>250 W-N | U | 61 | Middle of the Road | ABC | 6/1/62[6] |
| KAYO-FM | Beaumont, TX | 97.5 mhz | 50,000 W | U | 61 | Country & Western | | 6/1/62[6] |
| KSJL-AM | San Antonio, TX | 760 khz | 50,000 W-D<br>1000 W-N | U | 63 | Top 40 | UPI | 5/10/84 |
| WKIE-AM | Richmond, VA | 1540 khz | 10,000 W | D | 20 | Progres-sive Disco Black | NBN AP | 7/29/79 |
| WPAK-AM | Farmville, VA | 1490 khz | 1000 W-D<br>250 W-N | U | less | Urban Black Adult Contemp. | Sheridan | 5/15/78 |
| WANT-AM | Richmond, VA | 990 khz | 1000 W | D | 20 | Urban Contemp. | NBN | 6/26/67 |
| WPCE-AM | Portsmouth, VA | 1400 khz | 1000 W-D<br>250 W-N | U | less | Black Religious | Sheridan | 1975 |
| WOWI-FM | Norfolk, VA | 102.9 mhz | 50,000 W | U | 15 | Black Adult Contemp. | Sherican | 1975 |
| WFTH-AM | Richmond, VA | 1590-khz | 5000 W | D | 20 | | | 6/14/82 |
| KQIN-AM | Burien, WA | 800 khz | 500 W | D | less | Adult Contemp. | | 6/12/81[6] |
| KFOX-AM | Seattle, WA | 1250 khz | 5000 W | U | 73 | Contemp. | | 5/15/81 |
| KUJ-AM | Walla Walla, WA | 1420 khz | 5000 W | U | less | Adult Contemp. | ABC | 1/1/81 |
| WAWA-AM | West Allis, WI | 1590 khz | 1000 W | D | less | Black | Sheridan | 1/5/79[6] |

| Call Letters and Type | Location | Frequency | Power | Hours of Operation | Market Rank by Black Pop. | Station Format | Network Affiliation | Date of Acquisition |
|---|---|---|---|---|---|---|---|---|
| WLUM-AM | Milwaukee, WI | 102.1 mhz | 50,000 W | U | 34 | Urban Contemp. | CBS | 1/5/79[6] |
| WNOV-AM | Milwaukee, WI | 860 khz | 250 W | D | 34 | Black | NBN | 1/2/73 |

[1]AM expressed in kiloHertz (khz); FM in metaHertz (mhz).

[2]Power expressed in watts. D = Daytime; U = Unlimited.

[3]D = Daytime only; U = Unlimited.

[4]Leading 100 metro areas ranked by black population
less = less than 25,000 blacks; non-metro = area counties with 25,000 blacks or more.

[5]Abbreviations for network affiliation are:

ABC = American Broadcasting Company
CBS = Columbia Broadcasting System
NBC = National Broadcasting Company
MBS = Mutual Broadcasting System
NBN = National Black Network
UPI = United Press International
AP = Associated Press
APR = Associated Press Radio
RKO = RKO Radio

[6]Stations acquired via tax certificates.

[7]Stations acquired via distress sales.

# APPENDIX B

# TELEVISION STATIONS' CHARACTERISTICS

| Call Call Letters | Freq. | Channel | Location | Date of Acqui-sition | No. of CATV | Network Affilia-tion | Power | Market Size |
|---|---|---|---|---|---|---|---|---|
| WCQR-TV | UHF | 50 | DC | 11/81 | Pay TV Authorization | | | 39 |
| KSTS-TV | UHF | 48 | San Jose, CA | 5/31/81 | 41 | IND | | None |
| WTSG-TV | UHF | 31 | Albany, GA | 2/14/82 | 20 | | | 150 |
| WGXA-TV | UHF | 24 | Macon, GA | 4/21/82 | | ABC | | 131 |
| WVII-TV | VHF | 7 | Bangor, ME | 11/10/82 | 50 | ABC | | 154 |
| WGPR-TV | UHF | 62 | Detroit, MI | 1975 | | | 759 kw | 7 |
| KXLI-TV | UHF | 41 | St. Cloud, MN | 11/24/82 | 52 | | 2770 kw | none |
| WLBT-TV | VHF | 3 | Jackson, MS | 2/1/80 | 23 | NBC | 19.1 kw | 86 |
| WKBW-TV | VHF | 7 | Buffalo, NY | | 125 | ABC | 91.2 kw | 36 |
| WOIO-TV | UHF | 19 | Shaker Hgts. OH | | | | 1000 kw | 11 |
| KLMG-TV | UHF | 51 | Longview, TX | 9/9/84 | 38 | | 3100 kw | 0 |
| KONG-TV | UHF | 16 | Everette, WA | | | | | none |
| WAEO-TV | VHF | 12 | Rhineland, WI | 6/1/79 | 25 | NBC | 316 kw | none |

# VITA

Coretta Rivers Jones was born in Bartow, Florida on November 11, 1950. She attended elementary school in Bartow and was graduated from Union Academy High School in June 1968. She entered North Carolina Central University the following September, and in May 1972 she received a Bachelor of Arts degree in English.

In the fall of 1984 she was awarded a Tennessee Higher Education Commission Scholarship at The University of Tennessee, Knoxville and began study toward a Master's degree in Communications. This degree was awarded in June 1986.

The author is a member of the Alpha Kappa Alpha Sorority, National Education Association, and the North Carolina Association of Educators.