

LOCAL TV AND RADIO:

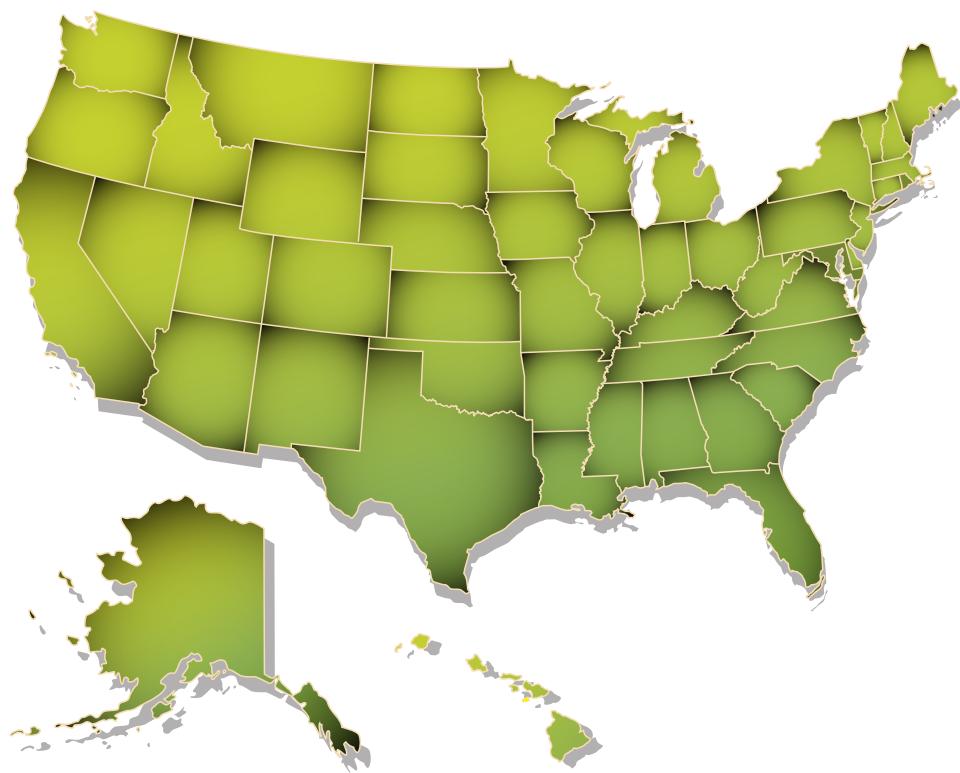
HELPING DRIVE THE UNITED STATES ECONOMY



WOODS & POOLE
ECONOMICS
WASHINGTON D.C.



Local TV and Radio: Helping Drive the United States Economy



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The local commercial broadcast television and radio data contained in this report are estimated by Woods & Poole Economics, Inc. Some of the historical data are estimated and all of the data are subject to revision. Forecasts and projections are uncertain and future data may differ substantially from the forecasts and projections in this report.

Local TV and Radio: Helping Drive the United States Economy

Executive Summary

The commercial local broadcast industry, terrestrial television and radio stations, is critically important to the United States economy as a whole and to local economies in particular. Local television and radio's key role in the dissemination of entertainment and local programming is well established. Its important value to the national economy is often overlooked and in many ways taken for granted. This analysis quantifies some of the core ways commercial local television and radio stations enhance economic productivity, efficiency and growth. Only local commercial broadcast television and radio are included in this analysis.

Results of this study show:

- **\$1.19 trillion of gross domestic product (GDP) originating in the commercial local television and radio industry annually.**
- **2.46 million jobs attributable to the local television and radio industry on an annual basis.**

Local television and radio broadcasting directly and through their stimulative effect on the economy, support 2.46 million jobs nationwide.

The commercial local television and radio broadcast industry is important not only because of its direct employment, estimated at 311,000 jobs nationwide, but because of the industries and economic activity it supports. Through advertising, the industry provides consumers with critical economic data on the price and features of products and services. To businesses, the industry provides a forum for getting messages about innovations and efficiencies directly to consumers. An unintended benefit of business to consumer advertising is that other businesses receive the same information and are prodded to adopt technologies and efficiencies to remain competitive; this free competitive intelligence is very valuable to consumers and to the economy as a whole.

The following analysis identifies, explains and quantifies all of these effects. Table 1 on the following page displays the economic impact for the United States as a whole. The impact on individual states follows the national analysis.

Table 1. The 2024 Impact in GDP and Jobs

Total Impact of Local Television and Radio Broadcasting

\$1.19 trillion in GDP annually
\$748.03 billion from television
\$437.04 billion from radio

2.46 million jobs on an annual basis
1.55 million in television
909,071 in radio

Direct Impact of Local Television and Radio

\$53.51 billion in GDP annually
\$33.69 billion from television
\$19.82 billion from radio

310,924 jobs on an annual basis
195,755 in television
115,169 in radio

Effect of Local Television and Radio on Other Industries

\$134.10 billion in GDP annually
\$86.35 billion from television
\$47.75 billion from radio

775,759 jobs on an annual basis
488,411 in television
287,348 in radio

Stimulative Effect of Local Television and Radio on the Economy

\$997.46 billion in GDP annually
\$627.99 billion from television
\$369.47 billion from radio

1.37 million jobs on an annual basis
866,449 in television
506,554 in radio

Overview

The economic impact of the commercial local broadcast industry, terrestrial television and radio stations, has three major components.

First, the **direct impact** of the industry is the result of its significant size: 1,240 commercial television stations and 10,607 commercial radio stations, sustaining nearly 311,000 jobs and nearly \$54 billion in output.

Second, as with any industry in a developed economy, workers in the commercial local broadcast television and radio industry consume goods and services in all other sectors of the economy, supporting more jobs and creating more income and output. This **ripple effect** is estimated to result in nearly 776,000 jobs and more than \$134 billion in output.

Local television and radio commercial broadcasting directly accounts for more than 311,000 jobs and nearly \$54 billion in U.S. economic output.

Third, the output of the commercial local broadcast television and radio industry stimulates economic activity by providing a forum for advertising that is free to consumers. The **stimulative effect** of advertising on local commercial broadcasts is very significant. An estimated more than \$997 billion output in United States and more than 1.37 million jobs are attributable to the stimulative effects of advertising on local television and radio.

It is important to note that only commercial local broadcast television and radio is included in this analysis. If noncommercial local broadcast television and radio were included, the impact on the United States economy would be greater.

The Direct Impact

The direct impact of local television and radio broadcasting on the United States economy is estimated at nearly 311,000 jobs and nearly \$54 billion in economic output. Local television broadcast stations generate nearly 196,000 jobs and nearly \$34 billion in economic output, while local radio broadcast stations generate another 115,000 jobs and nearly \$20 billion in economic output.

The direct impact includes industries supplying goods and services directly to local broadcasters.

The core direct impact of local television and radio broadcasting includes the number of jobs directly in local television and radio, as well as the number of jobs in advertising and programming. It is estimated that local television and radio broadcasting, advertising and programming alone account for 212,000 jobs. In addition, other industries are impacted by local television and radio broadcasting because they provide goods and services used in creating local television and radio broadcasting and advertising.

Industries as varied as telecommunications, public utilities, manufacturing, transportation and retail trade provide inputs into the production of local television and radio broadcasting. When measured with a technical input-output analysis, an additional 99,000 jobs are supported in other industries because of the goods and services requirements of local television and radio broadcast stations.

Effect on Other Industries

The income earned by workers in jobs directly related to local television and radio broadcasting, either in the industry itself or with the many suppliers that support the industry directly, helps create additional economic activity. Each worker directly employed in local television and radio broadcasting maintains a household and consumes all of the goods and services as other American workers. A worker in local broadcast television advertising consumes manufacturing output when he or she purchases an automobile. A worker in local radio broadcasting consumes construction sector output when he or she purchases a new home.

The ripple effect of the economic impact of local commercial broadcasting on other industries is also called the "multiplier effect."

The income from local television and radio broadcast jobs flows through the economy, creating additional jobs and income in various economic sectors. A job at local television and radio broadcast stations multiplies itself by helping create jobs in construction, farming, mining, state and local government and all other economic sectors. The workers in the industries supplying goods and services to local television and radio broadcast workers in turn consume goods and services. It is estimated that the cascading effect of jobs and income emanating in local television and radio broadcasting results in more than \$134 billion in additional GDP and nearly 776,000 jobs nationwide.

The Stimulative Effect on the Economy

The commercial local broadcast industry, terrestrial television and radio stations, stimulates additional economic activity by providing a forum for advertising goods and services. The advertising provided by commercial local television and radio is unique in its comprehensive coverage and very low cost to consumers. Local television and radio advertising serves an important role for both consumers and businesses in providing economic information on product prices and features. This information increases market efficiencies and results in greater demand for well-made and well-priced goods and services. The additional demand contributes to aggregate economic growth.

The stimulative effect is the result of the economically beneficial role advertising plays in the economy.

With the product and service feature and price information obtained from local broadcast television and radio advertising, consumers allocate their purchases more efficiently and businesses design goods and services to keep pace with their competitors. The stimulative effect of local broadcast television and radio advertising can be very influential because it reaches almost all households in the United States, creating significant demand and economies of scale for producers and consumers alike.

The primary role of broadcast television and radio is reducing the cost of product information through advertising. This is their most significant impact on economic growth, although the entertainment value of local broadcast television and radio is often emphasized in discussions about their impact on society. Reaching all United States households, local broadcast television and radio stations provide consumers with highly valued marketplace information and businesses with immediate economic and competitive intelligence.

Paid advertising on television and radio provides consumers with product information and price comparisons that enable efficient consumer expenditures. An unintended consequence of paid advertising by businesses is that competitors can learn of product features, innovations and price structures. This competitive intelligence encourages businesses to adapt and to offer better products at lower prices, benefiting consumers and creating real economic growth and increases in wealth.

The economic impact of advertising on both consumers and competitors is significant. Advertising on local broadcast television and radio stations is estimated to stimulate more than \$997 billion in economic activity and support more than 1.37 million jobs.

Scope of this Analysis

Local commercial broadcast television and radio stations, including locally owned and operated commercial stations, affiliate stations and independent stations, are included in this study. The operations of over-the-air broadcast networks are not part of this analysis, except for their owned and operated local television stations. By definition, cable, satellite and other video provider networks and stations are not included because this study covers only commercial broadcast television and radio stations. Noncommercial television and radio stations are also not included.

Advertising benefits consumers because businesses learn of competitors' innovations and adopt them.

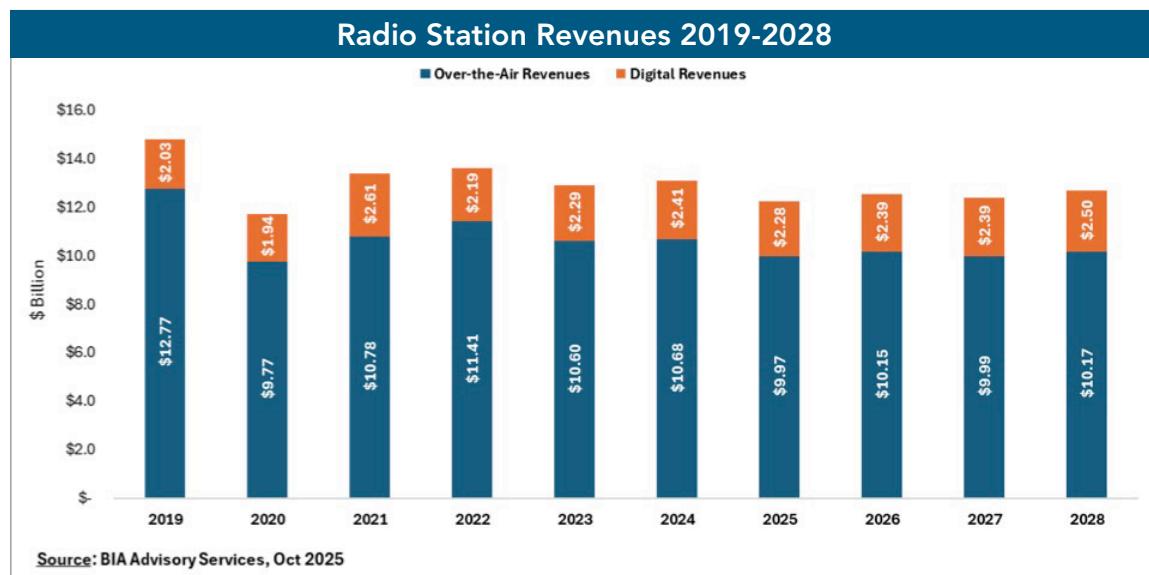
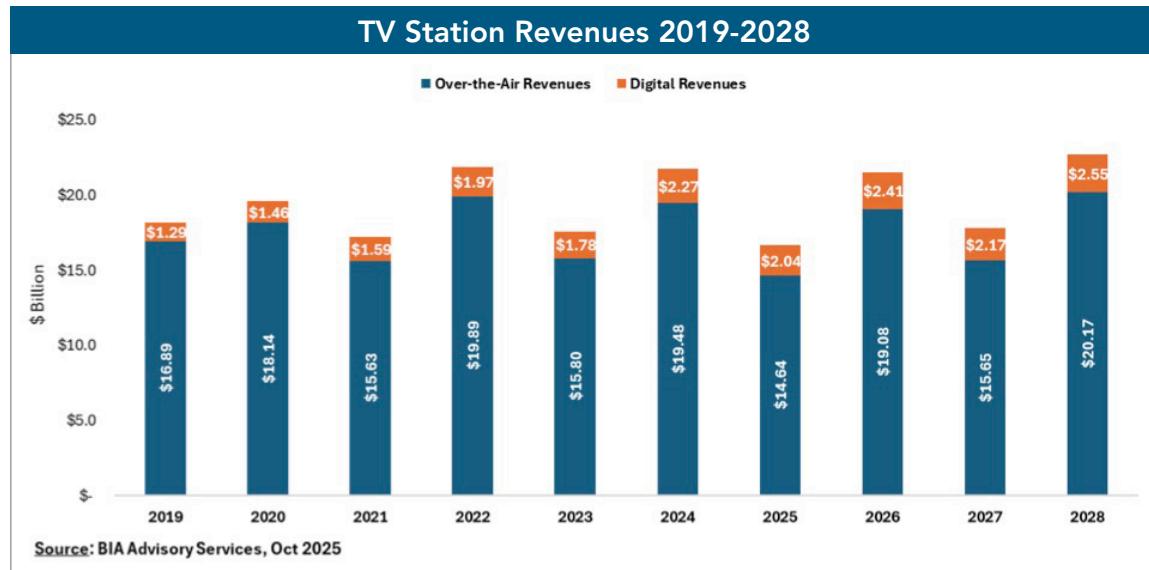
This analysis covers local commercial broadcast television and radio stations.

The Outlook

The outlook for growth in the commercial local broadcast industry, terrestrial television and radio stations, is very stable. Research suggests that both local television and radio broadcast revenues will remain steady through the year 2028 (see charts below).

The unique forum and low cost of providing entertainment and product information to consumers ensure that revenues will increase in coming years. The economic impact previously described in this study will show parallel growth.

The outlook for local broadcasting revenue growth is steady.



New Mexico – Local Television and Radio

Total Economic Impact in State

\$6.23 billion

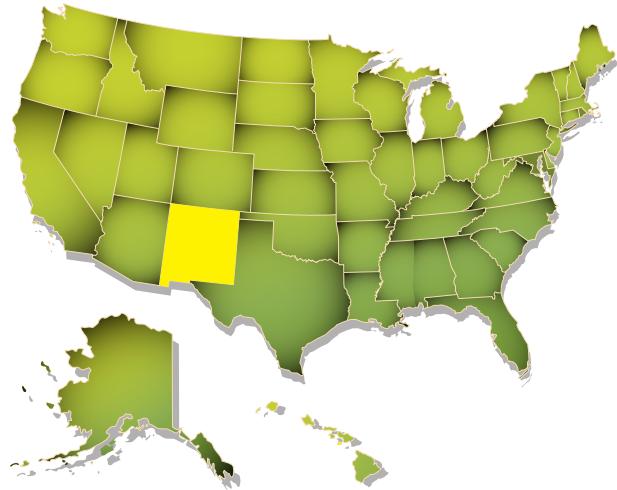
Television: **\$3.65 billion**

Radio: **\$2.58 billion**

13,284 jobs

Television: **7,790 jobs**

Radio: **5,494 jobs**



Direct Economic Impact in State

\$281.48 million

1,679 jobs

Economic Impact on Other Industries in State

\$703.41 million

4,191 jobs

Stimulative Effect on Economy in State

\$5.25 billion

7,414 jobs



New Mexico Economy

	2024	2034
Population (in millions)	2.13	2.27
Households	858,437	935,675
Employment (in millions of jobs)	1.16	1.26
Retail Sales (in billions of dollars in 2024)	\$43.88	\$53.21
Gross State Product (in billions of dollars in 2024)	\$140.53	\$164.45
Income Per Capita (in dollars in 2024)	\$56,844	\$64,798