

## Television Consumption in the 2008 Economic Crisis

### Introduction

On September 15, 2008, Lehman Brothers filed for bankruptcy, leading to the largest single day decline in the Dow Jones Industrial Average since the days following September 11, 2001. Since that point, the stock market has continued to decline and the federal government introduced an economic stimulus plan to aid recovery. This analysis investigates how television consumption has changed amidst the economic crisis.

### Change in TV Tuning

We compared the television tuning in the NPM sample from September 15, 2008 to October 19, 2008 with the tuning from the comparable period in 2007 to determine how the economic crisis has influenced television tuning. On a Total US basis, HUT levels increased by 1% from 2007 to 2008. The growth in tuning was greatest among homes with incomes between \$20,000 and \$40,000 as well as those with an income between \$60,000 and \$75,000.

Live+Same Day National People Meter HUT Levels		
Market Break	9/17/2007 - 10/21/2007	9/15/2008 - 10/19/2008
Composite	33.9	34.2
HH Income < \$20,000	37.8	37.7
HH Income \$20-40k	35.7	36.5
HH Income \$40-60k	34.7	34.0
HH Income = \$60,000-74,999	32.5	34.4
HH Income = \$75,000-99,999	31.7	31.8
HH Income = \$100,000+	29.4	29.7

Daypart is M-Su 6a-6a.

From 2007 to 2008, the cable news networks have almost doubled their ratings from 1.5 to 2.8. A caveat for this comparison is that the presidential race is likely drawing more news interest in 2008 and more cable news tuning. So the growth in cable news tuning cannot be attributed solely to interest in the economic crisis. However it is interesting to note that the growth to cable news has been largest among homes with an income over \$100,000. These homes are likely those with the largest financial investment, and therefore might have the most interest in news on the economic crisis. In fact the year-to-year growth in tuning to the cable networks increases as the household income level increases.

Live+Same Day National People Meter Household Ratings Cable News Networks*		
Market Break	9/17/2007 - 10/21/2007	9/15/2008 - 10/19/2008
Composite	1.5	2.8
HH Income < \$20,000	1.3	1.8
HH Income \$20-40k	1.6	2.5
HH Income \$40-60k	1.6	2.7
HH Income = \$60,000-74,999	1.5	3.0
HH Income = \$75,000-99,999	1.6	3.2
HH Income = \$100,000+	1.6	3.6

\*Sources include CNBC, CNN, Fox News Channel, Headline News, and MSNBC. Daypart is M-Su 6a-6a.

### **Homes Downgrading to Broadcast Only**

We investigated the number of National People Meter (NPM) sample homes to cancel cable or satellite service in September 2008 as compared to September 2007. This analysis allows us to determine whether homes are increasingly cancelling cable or satellite service. Among the NPM homes that received cable or satellite service in September 2007, 1.4% downgraded service to broadcast only in September 2008. For comparison, among the cable or satellite homes in September 2006, 1.4% became broadcast only in September 2007. We have not seen an increase in the number of homes cancelling cable or satellite service when comparing 2008 to 2007. It must be noted that the procedures for detecting a change in cable / satellite status among sample homes might lead to a delay in reporting those changes in the Nielsen systems. So it is possible that the full impact of homes downgrading in 2008 has not been captured in the reporting systems yet. The early indication is that homes are not cancelling their cable or satellite services due to economic concerns.

###