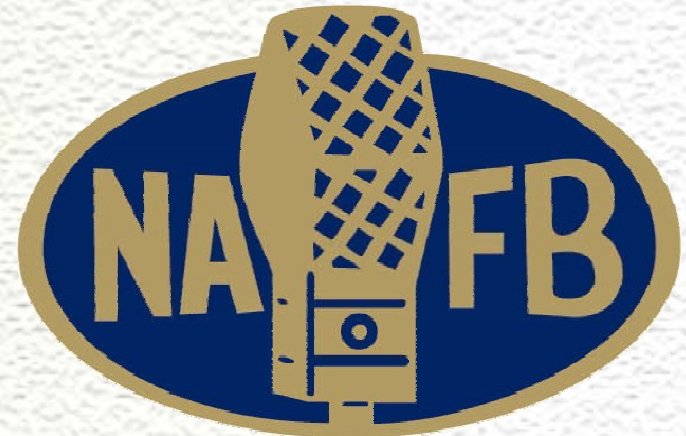


The NAFB Rural Lifestyle Report 2006



The Study



The Big Questions

- ❑ Is Rural Lifestyle a real market?
- ❑ How is the market defined?
- ❑ What is the actual market size?
- ❑ Do they listen to NAFB member radio?
- ❑ What makes the market unique?

The Study



The NAFB Rural Lifestyle Report

- ❑ A national study of the Rural Lifestyle market.
- ❑ 48 contiguous states surveyed.
- ❑ 2000 interviews.
- ❑ 2.24% error factor.
- ❑ Numerous demographic breakouts.
- ❑ Conducted for NAFB by AMR.

Market Myths



Rural Lifestyle Market Myths

- ❑ Small market size.
- ❑ Low Income.
- ❑ Only in C and D counties.
- ❑ Low employment, education.
- ❑ No effective media buy.

Market Facts



Rural Lifestyle Market Facts

- ❑ Rural Lifestyle is a **Major Market**
 - ✓ 27,052,940 households
 - ✓ 25.86% of all HH in US
 - ✓ 69,126,313 est. Rural Lifestyle population
 - ✓ 51,600,097 18+ population

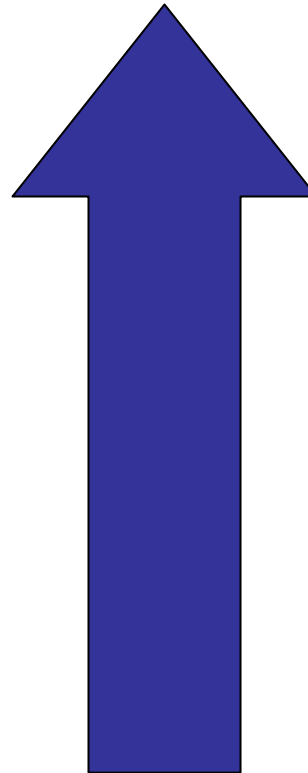
More than 1 in 4 HH in the U.S. are not in a city or town.

Market Facts



Rural Lifestyle Market Facts

- Income levels are rising in rural America.



- ✓ **Ethanol**
- ✓ **Commodity Prices**
- ✓ **Rural Energy Boom**

Market Facts



Rural Lifestyle Market Facts

- ❑ Radio is the Rural Lifestyle media choice.
- ❑ **87%** can name the radio stations they listen to.
- ❑ **45 million** 18+ Rural Lifestyle adults are frequent radio listeners.

The Land



Land Creates the Lifestyle

- ❑ Many activities associated with Rural Lifestyle begin at 3+ acres.
- ❑ Land determines the growing of crops, plants, livestock and the need for equipment associated with those activities.



The Land



Land Creates the Lifestyle

Less than 1 acre	12.2%
1 to 3 acres	28.5 %
3 to 5	13.8 %
5 to 9	8.8 %
10-49	18.9 %
50-99	10.4 %
100 or more acres	7.5 %

The Report



Rural Lifestyle Report Examples

NAFB Target

- + Listens to NAFB radio in 38 state primary area.
- + Lives on 3+ Acres

All

- + All rural lifestyle residents in 48 states.



48 States



27,052,940 Rural Lifestyle Households
51,600,097 Rural Lifestyle Adults

38 Primary States



24,889,315 Rural Lifestyle Households
47,480,215 Rural Lifestyle Adults

Employment



Rural Lifestyle Employment

	All	NAFB Target
Employed Full Time	54.7 %	53.7 %
Employed Part Time	12.0 %	15.4 %
Fully Retired	28.7 %	25.5 %
Self-Employed	27.1 %	29.1 %
Professional	26.9 %	15.6 %
Admin/Managerial	17.0 %	13.2 %
Hourly Production	15.3 %	12.9 %
Hourly Service	17.5 %	12.3 %

Age in Rural America

Age Segmentation



	All	NAFB Target
18-24 years	3.0 %	2.6 %
25-34 years	7.8 %	7.6 %
35-44 years	15.1 %	13.4 %
45-54 years	25.6 %	28.5 %
55-64 years	28.2 %	25.9 %
65 years or older	19.1 %	20.9 %

The Land



Land Ownership Binds Lifestyle

- Nearly all rural residents own the land they live on.

<u>All</u>	<u>NAFB Target HH</u>
94.6%	97.8%

Mean length of time is 20 years.

Outdoor Activities



Gardens and Plants

	All	NAFB Target
Trees/Shrubs	32.7 %	26.9 %
Vegetables/Fruits	55.9 %	60.3 %
Flowers/Ornamentals	59.9 %	54.5 %
Hay	19.8 %	34.5 %
Organic Products	7.6 %	6.9 %

Animals/ Livestock



Animals

	All	NAFB Target
Dogs	64.9 %	74.4 %
Cats	48.9 %	52.6 %
Horses	15.1 %	21.0 %
Cattle	16.1 %	31.1 %
Goats	5.6 %	5.8 %
Other	8.0 %	12.1 %
Birds/Meat	6.0 %	7.4 %
Birds/Eggs	6.2 %	7.2 %

Animals/ Livestock



Horses

Number of Horses in HH with Horses

	All	NAFB Target
Mean	4.1	5.3

Animals/ Livestock



Cattle

- ❑ 59% of those with cattle have between 1-25 head.



Transportation



Rural Lifestyle Equipment

	All	NAFB Target
Pickup Truck	64.5 %	78.7 %
Sport Utility Vehicle	26.4 %	28.2 %
All Terrain Vehicle	24.8 %	38.6 %
Utility Vehicle	10.4 %	13.3 %

**4 out of 5 target NAFB HH
have a pickup truck.**

Equipment



Tractors

	All	NAFB Target
Less than 18 HP	50.3 %	59.6 %
Between 18-50	35.1 %	46.8 %

Outdoor Activities



Caring for Lawn and Garden

	All	NAFB Target
Riding Lawn Mower	66.9 %	75.3 %
Chain Saw	69.0 %	77.7 %
Powered Lawn/Garden	58.1 %	60.1 %

More than 4 out of 5 target NAFB HH have a riding lawn mower or chain saw.

Outdoor Activities



Trailers

	All	NAFB Target
Horse Trailer	10.1 %	16.7 %
Livestock Trailer	10.4 %	26.2 %

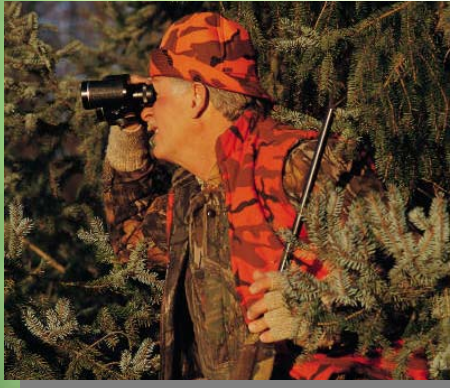
Outdoor Activities



Active Outdoor Enthusiasts

	All	NAFB Target
Hunting License	30.2 %	39.7 %
Fishing License	36.5 %	41.1 %
Outdoor Clothes/Boots	49.3 %	59.0 %

Outdoor Activities



Hunting and Fishing Equipment

	All	NAFB Target
Rifle or Shotgun	53.5 %	73.4 %
Boat	25.7 %	32.4 %

Energy



Energy to heat Rural America

	All	NAFB Target
Fuel Oil	16.0 %	12.3%
Propane	24.8 %	41.4 %
Natural Gas	20.8 %	11.1 %
Electricity	44.0 %	47.2 %

Water Resources



Rural Water Sources

	All	NAFB Target
Well	62.6 %	66.1 %
Rural or City Water System	36.4 %	32.2 %

Energy



Supporting Renewable Fuels

- 64% Would prefer to purchase a vehicle equipped to run on a renewable fuel like E-85 ethanol or bio-diesel.

Home Improvement



DIY in Rural America

- Do you do your own home or farm improvement projects or usually hire them done?

	All	NAFB Target
Do your own	79.1 %	85.3 %
Hire them done	18.0 %	13.1 %

Outdoor Activities



Plans for Major Improvements

- Do you plan to make major improvements to your home or buildings in the future?
 - ✓ **32.6% of All HH**

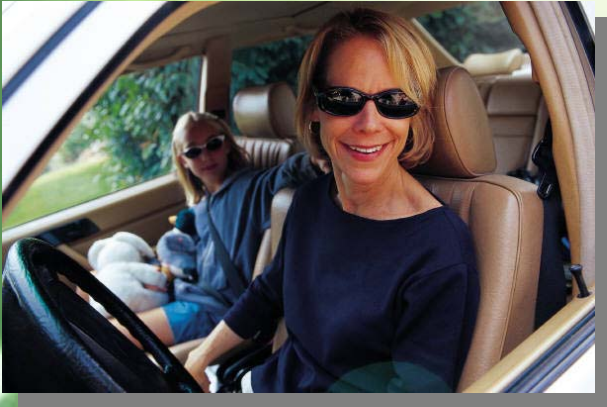
Outdoor Activities



Rural Lifestyle Shopping

	All	NAFB Target
Farm Supply Store	76.7 %	90.4 %
Home Depot	75.8 %	66.1 %
Lowe's	77.4 %	72.3 %
Menard's	17.1 %	30.2 %
On Internet	41.3 %	33.5 %
From Catalog	56.9 %	59.5 %

Communications



Rural Lifestyle Information Sources

	All	NAFB Target
Retail/Supply Store	21.3%	35.9 %
Veterinarians	23.6 %	39.8 %
"How to" books, DVD's	19.4 %	24.2 %
Extension Agents	22.6 %	40.5 %
Friends/Neighbors	56.6 %	71.4 %
Internet	33.0 %	31.5 %
Company Representatives	12.8 %	22.9 %

The NAFB target segment relies a great deal on people for information.

Communications

Rural Television Reception



	All	NAFB Target
Satellite	49.2 %	63.7 %
Cable	30.1 %	11.1 %
Antenna	19.5 %	25.8 %

Satellite reception leads the target segment!

Communications



The Rural Internet Slow Lane

	All	NAFB Target
Dial Up	37.7 %	42.1 %
High Speed	29.9 %	17.9 %
No Internet	29.4 %	38.9 %

Less than 20% of the target market has high speed internet access.

Commute



Rural Lifestyle Commuters

	All	NAFB Target
Commute to work	55.7 %	48.7 %

	All	NAFB Target
Minutes one-way to work	28.1 minutes	23.0 minutes

Radio and Media Options



Listenership



NAFB Radio Listening Increases with Acreage and Income

3+ Acres

5+ Acres
\$75K +

5+ Acres
\$100K +

18.0%

22.8%

29.5%

Radio Format



Rural Lifestyle Radio Format Preferences

- ❑ **52.6%** Country Music
- ❑ **44.4%** Oldies/Classic Rock
- ❑ **39.7%** News Talk
- ❑ **21.2%** Other Formats
- ❑ **17.3%** Adult Contemporary

Radio Programming



Current Rural Lifestyle Listening Preferences

- **78%** Weather Forecasts
- **32.5%** Business and Financial Reports
- **25.7%** News Affecting Production Agriculture
- **21.9%** Ag Market Reports

Media - print



Lifestyle Media

□ Print

- ✓ Lifestyle Print does not have enough circulation to cover the market in the same way that Ag Print does
- ✓ If you did have enough, you may not be able to afford it
- ✓ All Lifestyle Magazines combined currently hit less than 1/3 of the target
- ✓ Compared to Ag Print where any 3 of the major Ag Publications or Newspapers can hit 90% of the serious Farm Target in a given market

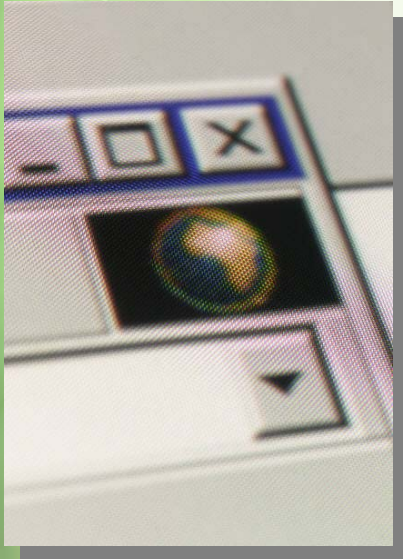
Media - television



Lifestyle Media

- **TV**
 - ✓ Satellite / Cable TV has strong penetration of Lifestyle Market at 80%
 - ✓ Individual Channels and Programs very fragmented – similar to consumer market
 - ✓ Ratings in the .2 to .3 range

Media - Internet

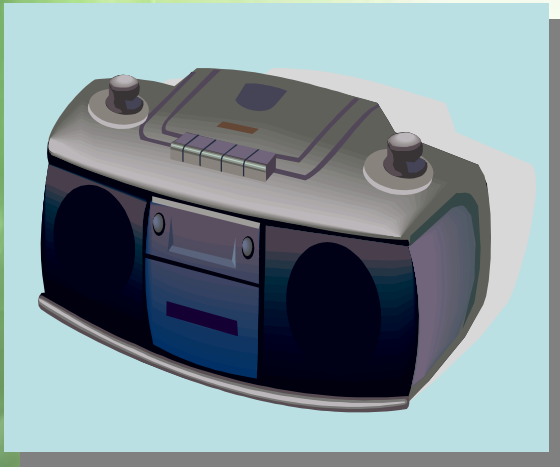


Lifestyle Media

- **Internet**
 - ✓ Similar to Satellite / Cable TV, Internet has 80% penetration of this market
 - ✓ Only 35% on High Speed – 45% on Dial-up

Media

- NAFB Radio



Lifestyle Media

□ NAFB Radio

- ✓ NAFB Group approach yields 19% Coverage of the Target
 - ✓ Over 34% in key States
- ✓ NAFB currently appears to be the single largest “entity” when all Stations and Networks are combined in a group manner – similar to consumer Networks like Westwood One

The NAFB Rural Lifestyle Report



Research Summary

- ❑ Rural Lifestyle is a Major Market
- ❑ Land Creates the Rural Lifestyle
- ❑ Living the Rural Lifestyle Requires Special Products and Services
- ❑ NAFB Member Radio Uniquely Serves the Market