

How are Today's Musicians Earning Money?

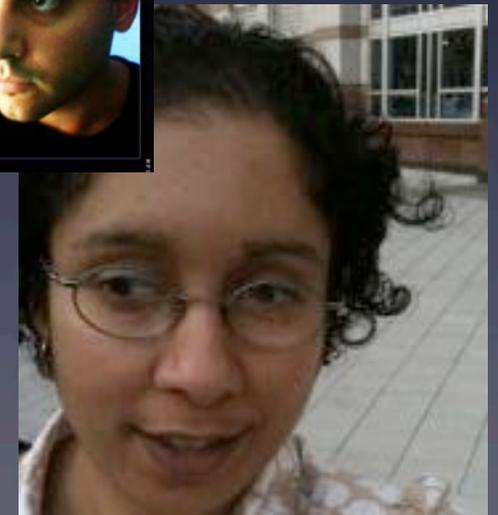
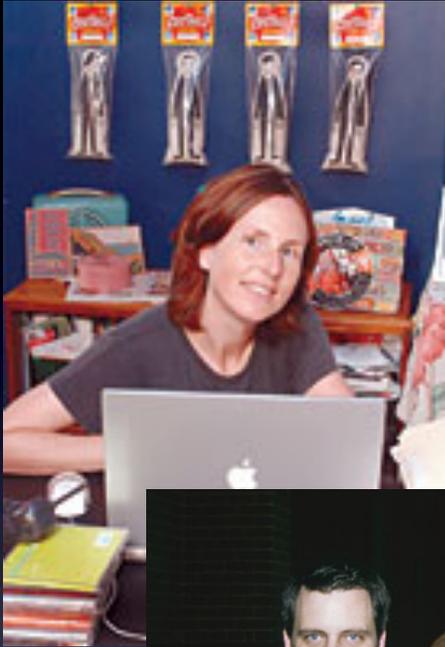
CREATe Creatives Research Resource Day

30 January 2014

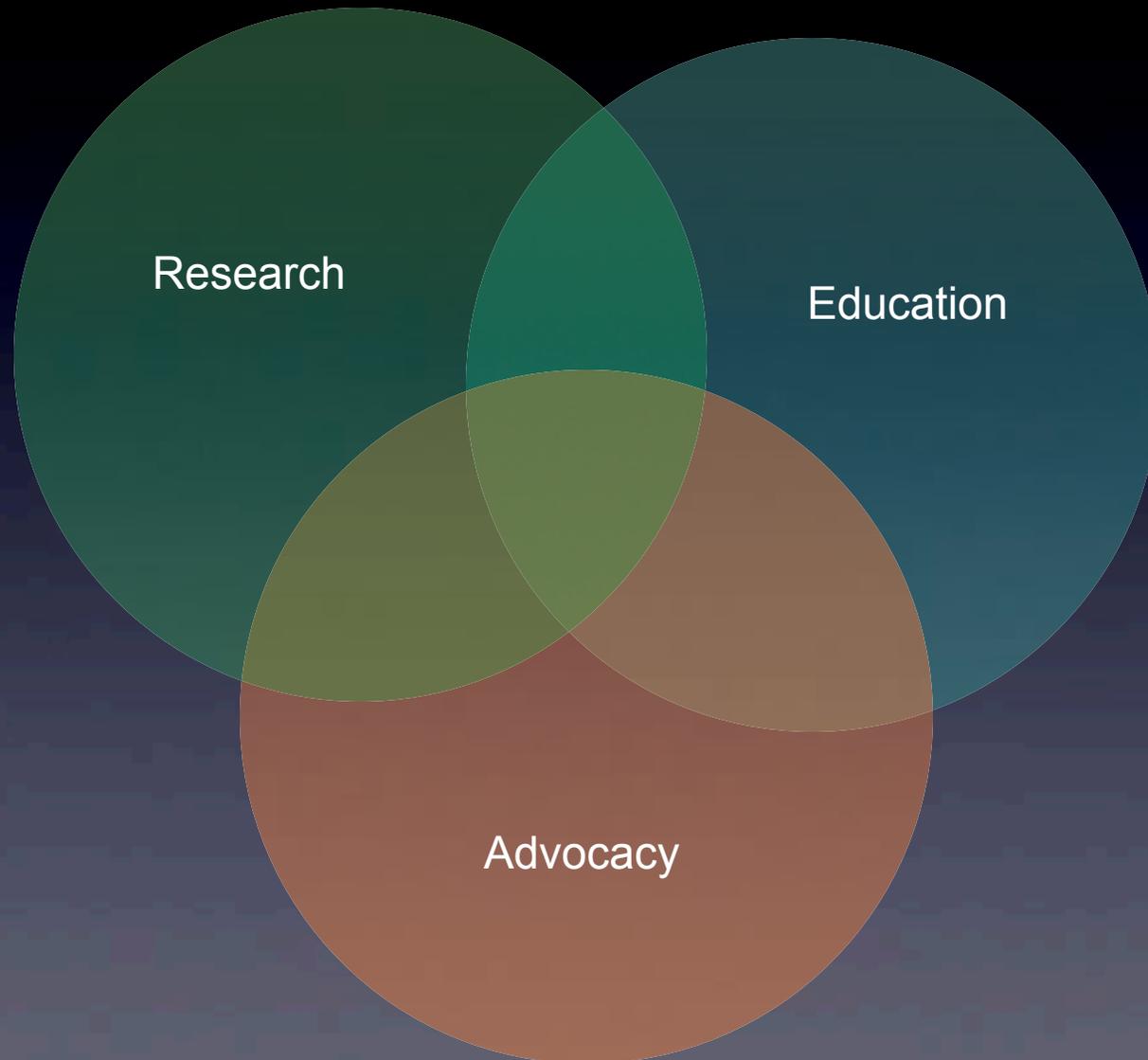


Jean Cook, Future of Music Coalition @future_of_music

The People at FMC



Program Areas



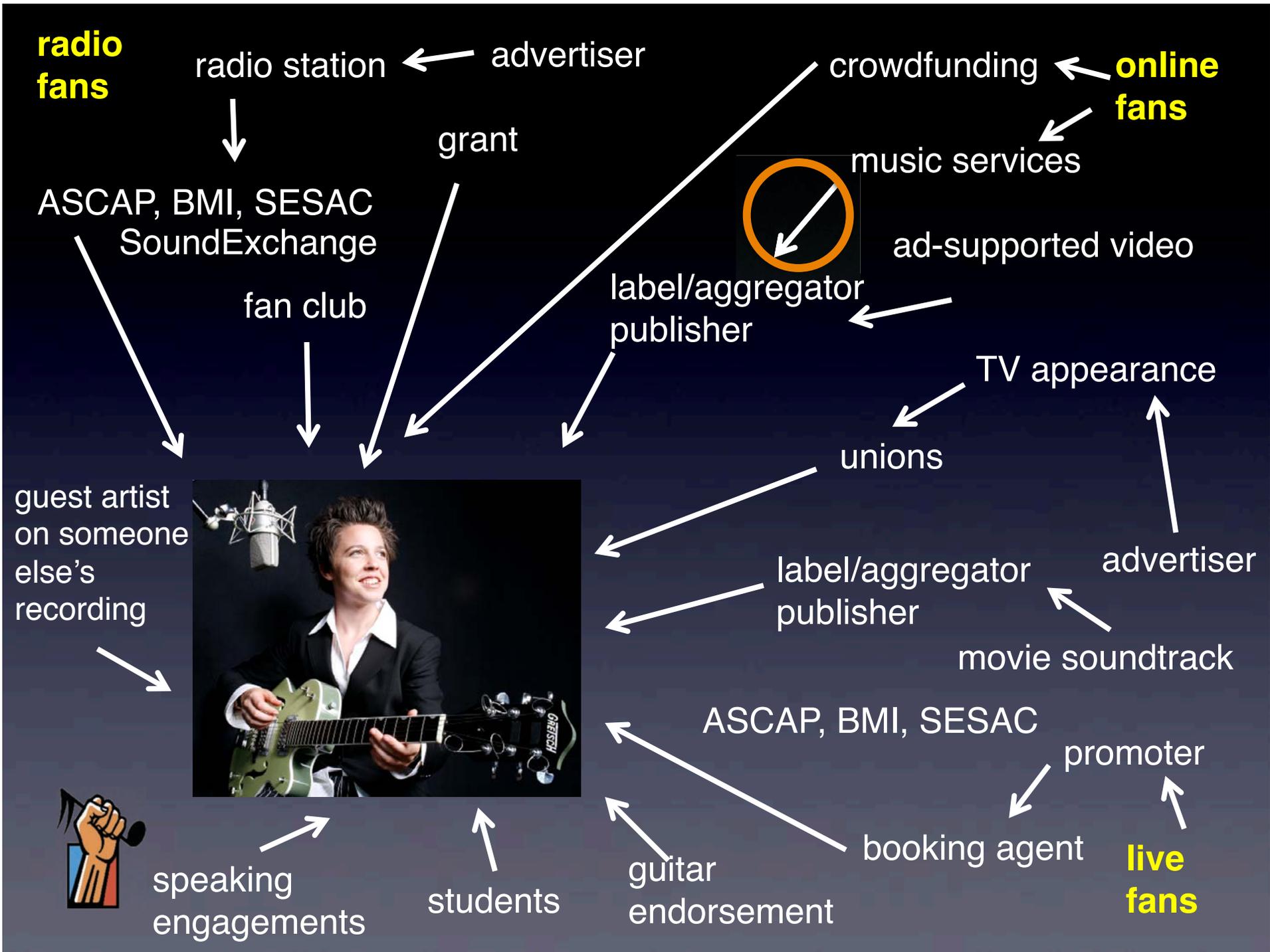
Why Artist Revenue Streams?

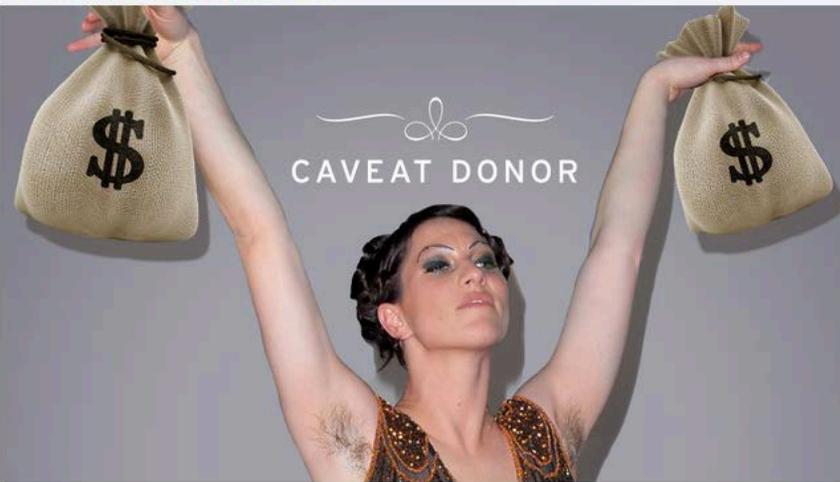


most data
policymakers see
about health of music
industry is based on
record sales



The Data Hole





AMANDA PALMER

Amanda Palmer's Million-Dollar Music Project and Kickstarter's Accountability Problem

SEP 19, 2012 1:15 PM 112,735 496

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overwhelming anecdotal evidence = pervasive industry myths

'Gangnam Style' Makes Estimated \$870,000 From YouTube Alone (CORRECTED)

The Huffington Post | By Betsy Isaacson

Posted: 01/23/2013 12:24 pm EST | Updated: 02/04/2013 10:54 am EST

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The World's 25 Highest-Paid Musicians

With a whopping \$110 million in pretax earnings, Dr. Dre is this year's top earner — thanks largely to his Beats headphone line. He leads a pack of pop moguls and country crooners, many of whom bank the bulk of their income at the recording studio. Totals are calculated from May 2011 through May 2012.



The Data Hole

commercial and non-commercial sectors seldom mix, especially when it comes to data

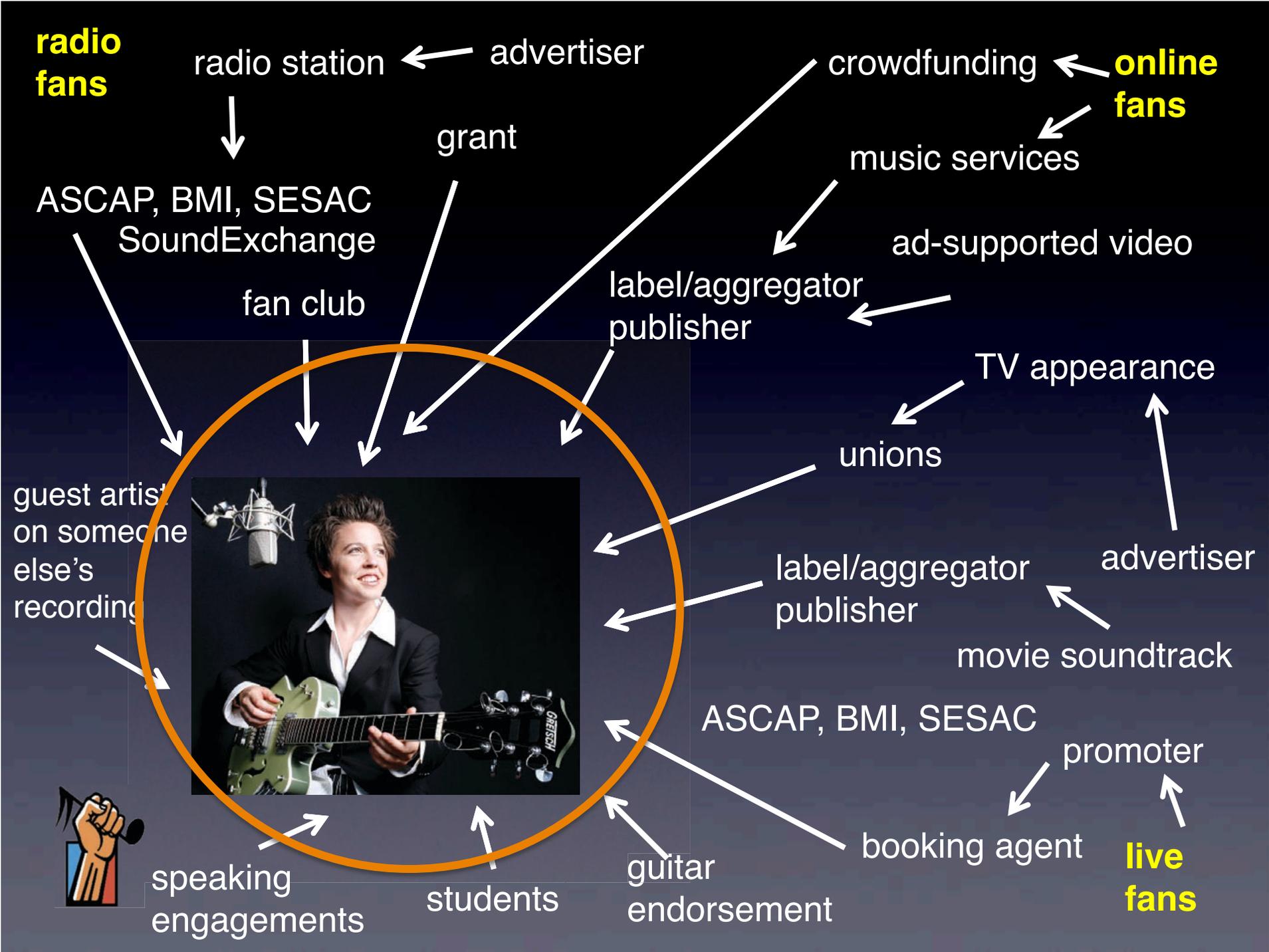


The Data Hole



The Artist Revenue Streams Data Set





Composing Income

- Publishing Advance
- Mechanical Royalties
- Composition Commission
- Public Performance Royalties
- Broadcast Commission
- Synch Licenses
- Sheet Music Sales
- Ringtones
- ASCAPlus
- Publishing Settlement

Performance Income

- Salaries
- Live Performance Fees



The 42 Revenue Streams

Recording Income

- Label Advance
- Label Support
- Retail Sales
- Digital Sales
- Sales at Shows
- DPR
- AARC

Background income

- AFM Secondary Markets
- SR Special Payments
- AFTRA Contingent Payments
- Label Settlements
- Session Studio
- Session Live
- AFM/AFTRA Fund

The 42 Revenue Streams

Brand Related

- Speaking Fees
- Merch Sales
- Fan Club
- YouTube Partnership Program
- Ad Revenue
- Persona Licensing
- Product Endorsements
- Sponsorship
- Acting

Knowledge of Craft

- Teaching
- Producer

Patronage

- Fan Funding
- Grants

Other Income

- Administrator



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Who did we talk to?

- Band/artist with a lot of merch
- Songwriter who does not record, perform or tour (classical)
- Player in major orchestra
- Player in member-directed orchestra
- Freelance classical musician
- Classical soloist
- Freelance non classical studio musician
- Freelance non classical touring musician
- Band/artist on an indie label
- Film/TV composer
- Chamber music group
- Jazz player and composer
- Band/artist on major label
- Self releasing work
- Jazz player who plays existing compositions
- Hip-hop music who composes own work, including samples
- Nashville songwriter
- Musician who has been heavily sampled
- Band/artist that gets played on commercial radio



Additional Data Collected

Professional Information

- Memberships
- # songwriting or recording credits
- # bands
- Genre of music
- Support team information
- Technologies used
- Roles played
- Label or publisher relationship
- Airplay
- Amount of time spent on music

Attitudes

- Impact of Technology
- Comfort with Technology
- How would you rather spend your time?

Demographic

- Age
- Gender
- Race
- Education
- Location



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Data from ARS

- Over **5,300** US-based musicians, performers and composers completed the survey
- Over **81** in depth personal interviews with artists from every corner of the industry
- **6** anonymous financial case studies reviewing income and expenses for real musicians



<http://money.futureofmusic.org>

Roles Musicians Play That Earn Income

Touring/shows/live performances fees earned by me as a solo performer, or by the bands/ensembles I'm officially a member of

Teaching

Salary as an employee of a symphony, band or ensemble

Session musician earnings, including payment for work in recording studio or for live performances, freelance work

Other

Money from songwriting/composing including publisher advances, mechanical royalties, ASCAP/BMI/SESAC royalties, commissions, composing jingles and soundtracks, synch licensing, ringtone licensing, sheet music sales

Money from sound recordings including sales of physical or digital recordings (iTunes, CD Baby, traditional retail, sales at shows), payments from interactive services (Rhapsody, Spotify), SoundExchange royalties, master use licensing for synchs or ringtones

Merchandise sales t-shirts, posters, etc.

Benefits of Collecting Data

- Evidence-based understanding, not anecdotal “hunches”
- Ability to compare different kinds of artist models – “apples to apples”
- “Reality check” on new business models – who really benefits?



Next Steps for ARS

- Share the ARS data and protocol widely with researchers, artist groups, and policymakers
- Collaborate across borders
- Follow up survey for US musicians in 2015, moving from 'snapshot' to 'trends'



Methodology,
research design

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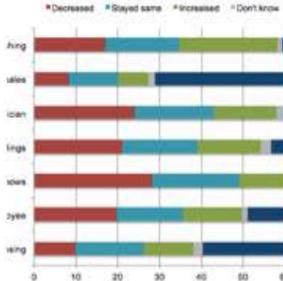


- performance royalties
- advances
- live shows
- licensing
- retail sales
- merchandise
- commissions
- fan support
- sync licensing

Artist Revenue Streams

About the Project | 40 Revenue Streams | About Artists Who Participated | What We're Learning | Contact

How are today's musicians earning money?



Research findings

Learn more about our research findings through a variety of lenses:

- Musicians' Teammates and their Effect on Earnings
- Five Financial Portraits of Artists
- Conservatory and Music School Graduates

Learn About Revenue Streams

Through this work, FMC has organized a consolidated list of 42 revenue streams available to US-based composers and musicians related to their compositions, recordings, performance, brand, or knowledge of craft.

Learn more about how we asked questions and grouped revenue types in the survey.

Upcoming Events and Presentations

The Artist Revenue Streams team will be presenting about this work at the following events:

- Rethink Music (Boston, MA)**
April 22-24, 2012
- Music: Parts and Labor Conference (New York)**
Saturday April 28, 2012

METHODOLOGY

an overview of our survey methods

<http://money.futureofmusic.org/survey-methods/>

survey protocol

<http://money.futureofmusic.org/money-from-music-survey-protocol/>

survey question set

<http://money.futureofmusic.org/money-from-music-survey-questions/>

HOURLY WAGE

Jazz musicians appear to have lower effective hourly wages than other genres

<http://money.futureofmusic.org/jazz-musicians/4/> (first chart)

LA-based musicians consistently earn much more than other musicians

<http://money.futureofmusic.org/location/4/#wages> (first chart)

DATA BY MEMBERSHIP

NARAS members and songwriters were more likely to be producers

<http://money.futureofmusic.org/membership/8/> (third chart)

Classical groups more likely to earn money from foundation grants

<http://money.futureofmusic.org/membership/8/> (fourth chart)

Filter: Jazz, Age, Music, and Gross Income, AFM Membership

<http://money.futureofmusic.org/jazz-musicians/4/> (fifth chart)

ROLES MUSICIANS PLAY AND TEAMS

Jazz musicians were more likely than Classical or Other genres to be earning money from 4 or more roles

<http://money.futureofmusic.org/jazz-musicians/3/> (second chart)

Who is on your team?

<http://money.futureofmusic.org/teams/3/> (first chart)

Who is on your team (by genre)

<http://money.futureofmusic.org/jazz-musicians/3/> (first table)

RADIO AIRPLAY

3x more musicians report frequent internet radio airplay than commercial radio airplay

<http://money.futureofmusic.org/does-radio-airplay-matter/4/> (first chart)

Artists with frequent commercial airplay earn 4x more than the general survey population

<http://money.futureofmusic.org/does-radio-airplay-matter/5/> (fourth chart)

Nashville-based artists are 7x more likely to be receiving frequent commercial radio airplay.

<http://money.futureofmusic.org/location/5/> (first chart)

MUSICIANS AND TECHNOLOGY

Jazz and Classical Fans are less comfortable using technology in their work

<http://money.futureofmusic.org/jazz-musicians/5/> (fourth chart)

The other slides will appear in a forthcoming report on the Value of Music

CASE STUDIES

80% of the Jazz Bandleader's gross income goes straight out the door to expenses

<http://money.futureofmusic.org/case-study-c/4/> (second chart)

44% of the Jazz Bandleader's gross performance income is earned outside the US

<http://money.futureofmusic.org/case-study-c/6/>

The Jazz Sideman-Bandleader's sideman wages outside the US are much greater than what he earns at home

<http://money.futureofmusic.org/case-study-v/7/>

In 2010, grants made up 35% of his gross income. Here is how that money was spent.

<http://money.futureofmusic.org/case-study-v/9/>

Indie Rock Composer-Performer's solo tours became profitable after three years of being subsidized by his other music activities.

<http://money.futureofmusic.org/case-study-a/4/>