

42 Revenue Streams

Future of Music Coalition 2012 report on Artist Revenues
futureofmusic.org



If you're a musician or composer, you probably have a basic sense of the ways you can make money. Some revenue streams are simple to understand, like playing shows, or selling CDs or t-shirts. But there are many, many more ways that musicians can earn money from their compositions, performances, sound recordings, brand, or knowledge of the craft. We list 40 of them below.

As you read the list, remember that a song has two copyrights: (1) the musical composition, which includes the notes and lyrics, and (2) the sound recording, which is the performance of a musical composition. So if you hear Patsy Cline singing "Crazy" which was written by Willie Nelson, Willie created the musical composition when he wrote down the notes and lyrics. Patsy created the sound recording when she performed Willie's song, and it was captured on tape. As you browse the list, it's important to keep these distinctions in mind since there are many times when different parts of the creative team are paid differently. Don't worry if it feels like too much to keep in your head at once — we get confused, too! Just take a deep breath and dive back in.

SONGWRITER AND COMPOSER REVENUE

1. **Publisher Advance**

Bulk payment to songwriter/composer as part of a publishing deal. Paid to songwriter/composer by publishing company.

2. **Mechanical Royalties**

Royalties generated through the licensed reproduction of recordings of your songs — either physical or digital. Paid to songwriter/composer by publisher, label, Harry Fox, or digital aggregator like CD Baby or Tunecore.

3. **Commissions**

Typically a request from an ensemble, presenter, orchestra or other entity for a composer to create an original work for them.

4 Public Performance (PRO) Royalties

Revenue generated when your songs are played on radio, TV, in clubs and restaurants. Paid to songwriter/composer/publisher by ASCAP/BMI/SESAC.

5. Composing Original Works for Broadcast

Typically a commercial request to compose an original jingle, soundtrack, score, or other musical work for a film, TV or cable show, or an ad agency. Paid to songwriter/composer by agency requesting the work.

6. Synch Licenses

Typically involves licensing an existing work for use in a movie, documentary, TV, video games, internet, or a commercial. Paid to songwriters/composers either via publisher or record label, or via a direct licensing deal with the licensee (movie studio, ad agency, etc) if you are self-published.

7. Sheet Music Sales

Revenue generated by the sale of songs/compositions as sheet music. Paid to songwriter/composer by publisher, or directly from purchasers if you are selling it on your website or at performances.

8. Ringtones Revenue

Generated from licensing your songs/compositions for use as ringtones. Paid to songwriter/composer via your publisher, your label or Harry Fox.

9. ASCAP PLUS Awards Program

Awarded by ASCAP to writer members of any genre whose performances are primarily in venues outside of broadcast media.

10. Publisher Settlement

Payment from publishers to writers for litigation settlements.

PERFORMER AND RECORDING ARTIST REVENUE

11. Salary as Member of Orchestra or Ensemble

Income earned as a salaried member of an orchestra or ensemble.

12. Shows/Performance Fees

Revenue generated from playing in a live setting (for non-salaried players).

13. Record Label Advance

Paid to artist as part of signing a deal.

14. Record Label Support

Money from label for recording or tour support.

15. Retail Sales

Revenue generated from selling physical music in retail stores or via mailorder. Paid to artist/performer by your label, or services like CD Baby or Bandcamp that help musicians sell physical product.

16. Digital Sales

Revenue generated from selling music digitally/online. Paid to artist/performer by your label, or digital aggregators like CD Baby or Tunecore, or directly from fans via services like Bandcamp.

17. Sales at Shows

Revenue generated from selling recordings of music at shows/live performances. Paid to artist/performer directly by fans.

18. Interactive Service Payments

Revenue generated when your music is streamed on on-demand services (Rhapsody, Spotify, Rdio). Paid to performer by your label, or digital aggregator like CD Baby or Tunecore.

19. Digital Performance Royalties

Revenue generated when your sound recordings are played on internet radio, Sirius XM, Pandora. Paid to performers by SoundExchange.

20. AARC Royalties

Collected for digital recording of your songs, foreign private copying levies, and foreign record rental royalties, distributed to US artists by [AARC](#).

21. Neighboring Rights Royalties

Collected for the foreign performance of your recordings.

22. AFM/Secondary Markets Fund

Paid to performers on recordings used in film, TV and other secondary uses by the [Film Musicians' Secondary Markets Fund](#).

23. AFM/Sound Recording Special Payments

Paid to performers for the sales of recorded music by the [Sound Recording Special Payments Fund](#).

24. AFTRA Contingent Scale

Payments paid to performers when a recording hits certain sales plateaus.

25. Label Settlements

Payments from labels to recording artists for litigation settlements (MP3.com, Limewire).

SESSION MUSICIAN REVENUE

26. Session Musician/Sideman Fees for Studio Work

Revenue paid to you for playing in a studio. Paid by label, producer or artist, depending on situation.

27. Session Musician/Sideman Fees for Live Work

Revenue paid to you for playing in a live setting. Paid by label, producer or artist, depending on situation.

28. AFM/AFTRA Payments

Payments from the [AFM/AFTRA Intellectual Property Rights Distribution Fund](#), which distributes recording and performance royalties to non-featured artists.

KNOWLEDGE OF CRAFT: TEACHING AND PRODUCING

29. Music Teacher

Revenue generated from teaching your musical craft.

30. Producer

Money from producing another artists' work in the studio or in a live setting.

31. Honoraria or Speakers Fees

BRAND-RELATED REVENUE

32. Merchandise Sales

Revenue generated from selling branded merchandise (t-shirts, hoodies, posters, etc.). Paid to artist/performer by fans.

33. Fan Club

Money directly from fans who are subscribing to your fan club.

34. YouTube Partner Program

Shared advertising revenue, paid to partners by YouTube.

35. Ad Revenue

Or other miscellaneous income from your website properties (click-thrus, commissions on Amazon sales, etc.)

36. Persona Licensing

Payments from a brand that is licensing your name or likeness (video games, comic books, etc).

37. Product Endorsements

Payments or free goods from a brand for you endorsing or using their product.

38. Acting

In television, movies, commercials.

FAN, CORPORATE AND FOUNDATION FUNDING

39. Fan Funding

Money directly from fans to support an upcoming recording project or tour (Kickstarter, Pledge Music, IndieGogo).

40. Sponsorship

Corporate support for a tour, or for your band/ensemble.

41. Grants

From foundations, state or federal agencies.

OTHER SOURCES OF REVENUE

42 Arts Administrator

Money paid to you specifically for managing the administrative aspects of a group that you are a member of.