

Independent Artist Music Group (IAMG) NEWSLETTER

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Once More A Big Thank You To Those Who Joined The Independent Artist Facebook Group and Are Starting To Help Spread The Word!

How much royalties do artists get per song?

It is important to note that one of the IAMG objectives will be to support Indie artists by participating in efforts affecting music digital downloads and streaming. There are plenty of artist advocacy organizations in existence today, one of the best known is the Songwriters Guild of America (SAG). In regards to Mechanical Royalties, SAG's comments submitted to the Copyright Royalty Board (CRB) November, 22, 2021 related to the "*unfairness and inadvisability of frozen mechanical royalty rates*" and attests to the fact that artists and their creative work (intellectual property) are being subjected to price-fixing by the major record labels (UMG, SME and WMG). The rate for Mechanical Royalties in the United States is set by the US government and is \$0.091. That's 9.1 cents to the composition owners every time the sound recording is pressed to a CD or downloaded from an online store.

Is digital downloading considered streaming?

Unlike streaming, when you download media, such as music, you can save it to your computer, tablet, smartphone, or other device. You're taking a copy of this digital content "down" from the internet or a specific website to reside on your device. After you download the music content, the listener can play it again whenever they want. The download activity results in a Mechanical Royalty being paid to the artist.

Streaming Service Royalties

An IAMG business objective will be to focus on how artists can earn more music royalties from streaming and other revenue sources. Streaming is now the major source of income for the record industry. These sources include: iTunes, Spotify, Google, Amazon and YouTube.

Spotify and Apple iTunes are top players in the streaming marketplace. Using a Spotify example: "Artists can make an average of anywhere from \$3,300 to \$3,500 per 1 million streams". That is \$0.0035 cents per music stream. Internet research shows that "on average, iTunes (Apple Music) pays artists between \$3 and \$5 for every 1000 streams, which equates to roughly \$0.005 cents per stream. Back in the day (2000), Club MP3 artists also earned roughly ½ penny per streamed play. Not much has changed in 20 years. In SAG's November 2021 comments to the CRB they pointed out:

"The CRB . . . adopted "roll forward" recommendations regarding the 9.1 cent royalty rate . . . (and) members of the songwriter and composer community were forced to focus on pleading for substantial increases in the pitifully low digital streaming rates that were driving most music creators either into poverty or out of the music industry altogether. That same drastic problem, unfortunately, remains for music creators. Streaming royalty rates continue to be the subject of ongoing federal litigation."

This is only a general snapshot of Mechanical and streaming royalties expected to be paid to artists. But what is missing from this equation, are the other revenue streams generated by these major companies in the delivery of this music from their Internet platforms. As such a discussion on how this revenue is generated and how little of that revenue gets back to the actual artist is relevant. This is, as of yet, a revenue stream that is not, or has not been passed onto the artists. More on this topic in our next Weekly Newsletter.

References:

[Apple Music Just Made A Lot Of Claims About What It Pays Artists. Let's Take A Closer Look.](#) Tim Ingham, Music Business Worldwide April 19, 2021.
[Apple Music Revenue and Usage Statistics.](#) Ben Lovejoy 9to5mac, October, 16th 2020.
[Songwriters Aren't Getting Paid Enough and Here's Why.](#) Mark Mulligan, Media September 10, 2019.
SongWriters Guild of America, Inc. [CRB Comments](#) November 22, 2021
[What's Happening With Mechanical Royalty Rates?](#) (Updated) Royalty Exchange, January 7, 2021.

Remember, the Independent Artist Music Group (IAMG) kickoff meeting will be scheduled to take place at Gracie's Tax Bar mid-February located at 711 N 7th Ave, Phoenix, AZ 85007. If you would like to be more active in this project please contact me.

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