



Sound
Royalties
Money for all music.

50 Income Streams Music Creatives Should Know About...

And Where To Find Them

Music royalties, licensing fees and the numerous other streams of revenue available to songwriters, performers and producers can be difficult to navigate. The good news is, the rapid growth of technology has produced more opportunities for distribution, new forms of music royalties and more ways than ever to track and collect monies due to you. The challenge is in knowing what types of royalties and fees are out there.

In the world of music royalties, it all starts with the song. Each song is protected by copyrights in two categories:

1. A copyright for the songwriting, or “*composition*”, categorized as the **Composition**
2. A copyright for the *performance*, categorized as the **Sound Recording**.

Depending on your role in the writing, production or recording of any given song, you may earn royalties in one copyright category or both.

Beyond copyright royalties, there are a wide range of fees and profit centers that can encompass the earnings of a music professional. It is critical for creatives to be familiar with these revenue sources and have expert help whenever possible to track and collect the royalties, fees and income to which you are entitled. There is much to know, but there is also a wealth of information online, whether through sources like Wikipedia, official websites for Performing Rights Organizations (PROs) like ASCAP, BMI and SESAC, or right here, in this royalty income guide that Sound Royalties has put together for you.

In the new digital music economy the *creator is king*. As an artist-friendly company, Sound Royalties is dedicated to the empowerment of creative talent. To help you flourish and sustain your career, here is our guide to royalty and revenue streams all music creatives should know about.

Songwriters, [click here](#).

Recording Artists, [click here](#).

Producers, [click here](#).

Musician/Performer, [click here](#).

* The music industry continues to evolve daily and this is meant to be a living document. Please forward any additions or changes to this document to info@soundroyalties.com to help us keep this updated for all creatives and to ensure you're collecting everything you should be.



Songwriter (composition copyright)

Songwriter Public Performance Royalties	Publishing Public Performance Royalties	Mechanical Royalties (Physical)	Mechanical Royalties (Digital)	Streaming Revenue		
<p>Earned when a song is played (live or via recording) on the terrestrial radio, TV, online and at live events or in public places (restaurants, bars, stores, stadiums, concerts, festivals, etc.). Collected and paid directly to the songwriter through a Performance Rights Organization (PRO) such as ASCAP, BMI or SESAC.</p> <ul style="list-style-type: none"> ▪ PRO's listed by country ▪ Contact info: ASCAP, BMI, SESAC, GMR ▪ NSAI -Worlds largest not-for-profit Songwriter Association 	<p>Earned when a song is sung or played (live or via recording) on radio, TV, online, at live events or in public places (restaurants, bars, stores, parks, concerts, festivals, etc.). Typically split 50/50 between songwriter and publisher in a co-pub deal, or much less for the co-publisher if it is just an administration deal. These are paid through PROs (Performance Rights Organization) such as ASCAP, BMI or SESAC <u>to the publisher or administrator</u>. Note this is typically in a separate account than the songwriter account.</p> <ul style="list-style-type: none"> ▪ List of publishers in the U.S. with contact information ▪ National Music Publisher Association (NMPA) ▪ Association of Independent Music Publishers (AIMP) ▪ Music Publishers Association (MPA) ▪ How and when to find a music publisher. 	<p>Earned with the sale of music in physical form (CD, cassette, vinyl, DVD, etc.) This includes cover versions of songs/music. Royalties are paid to the copyright owner: the publisher (or administrator) and songwriter, based on the publishing agreement. The current statutory rate is 9.1 cents per song under 5 minutes.</p> <p><i>*PROs do not handle mechanical royalties.</i></p> <ul style="list-style-type: none"> ▪ Paid by the label to Harry Fox Agency (HFA) or Canadian Musical Reproduction Rights Agency (CMMRA) ▪ Mechanical Royalties explained 	<p>Earned with the sale of music (including covers) in digital download form and interactive streams. Paid to the copyright owner: the publisher (or administrator).</p> <p><i>*PROs do not handle mechanical royalties.</i></p> <p>The Mechanical Licensing Collective was formed to administer licenses for streaming and download services in the US. They collect royalties due from the DSP's and pay songwriters, composers, lyricists, and music publishers.</p> <p><i>*If you self-publish, you can register through their website. Otherwise, your publisher will do that for you.</i></p> <ul style="list-style-type: none"> ▪ The MLC Website 	<p>On-demand song streams through digital services such as Spotify or Apple Music that are paid from the streaming services by a direct license to the major publishers and/or mechanical licensing agents (i.e., Harry Fox (US)). These funds are then paid to the songwriter. While sometimes these are not paid out, soon they all will be paid to publishers registered with the Music Licensing Collective (MLC), under the MMA (Music Modernization Act) .</p> <ul style="list-style-type: none"> ▪ Understanding the Music Modernization Act and MLC 		
Composing Original Works For Broadcast	Synch Licenses	Publisher Advance	Lyric Display	Ringtones	Sheet Music Sales	Publisher Settlements
<p>Paid for original music composed for commercial broadcast use. Paid from the buyer or agency contracting the work to the publisher/administrator. This includes jingles, soundtracks, scores and/or other compositions.</p>	<p>Income for music used in a TV show, movie, video game, commercial, etc. Collected and paid by the publisher/administrator or through a direct licensing deal if self-published.</p> <ul style="list-style-type: none"> ▪ Guide to Signing the Best Sync Deal Possible 	<p>Bulk payment given to the songwriter or composer from a publisher as part of a co-publishing deal.</p> <p><i>NOTE:</i> Publishers that provide creative services such as marketing take a larger percentage than Administrators who primarily enforce and collect royalties due. Administrators also don't typically offer advances.</p> <ul style="list-style-type: none"> ▪ Understanding Co-Publishing and Admin Deals ▪ Music Publishing explained ▪ Guide to Music Publishing 	<p>Paid by online lyric sites to songwriter via publisher/admin for licensed display of song lyrics.</p> <ul style="list-style-type: none"> ▪ When Lyrics Get Posted Online, Who Gets Paid ▪ musixmatch ▪ LyricFind 	<p>This counts as a reproduction and generates a mechanical royalty. Paid to songwriter directly via their publisher/admin, or agency (i.e., Harry Fox) for the licensed use of your songs as ringtones.</p> <ul style="list-style-type: none"> ▪ How to Create and Sell Ringtones 	<p>The sale or licensed reproduction of your songs in sheet music form including digital print rights (Ebooks and digital sheet music). Paid through your publisher/admin or directly to the songwriter if sold online or at events. This royalty is typically 20% of the retail pricing.</p> <ul style="list-style-type: none"> ▪ Print Music Publishers (Alfred Music and Hal Leonard) 	<p>Payment from publishers to writers for litigation settlements.</p> <ul style="list-style-type: none"> ▪ Spotify Settlement with NMPA



Recording Artist (sound recording copyright)

Digital Performance Royalties	Digital Royalties (Digital Sales)	On-Demand Streaming	AARC Royalties	Neighboring Rights Royalties
<p>Paid to recording artist when songs are played on internet radio like Pandora or SiriusXM. Paid by SoundExchange (a PRO for the Sound Recording side of the business for digital radio.) Register with them in addition to the income you receive as an artist from your label.</p> <ul style="list-style-type: none"> ▪ How to register with SoundExchange 	<p>Revenue generated from the sale of recordings as a permanent download. Paid to artist by the label or digital distributor.</p> <ul style="list-style-type: none"> ▪ Links to CD Baby, TuneCore, Band Camp, others ▪ What is Music Distribution 	<p>Paid to artist when recordings are streamed through on-demand platforms like Rhapsody, Apple Music or Spotify. Revenue is issued by the artist's label or digital aggregator.</p>	<p>Earned with the sale of devices and media, including blank CDs, personal audio devices, automobile systems, media centers, and satellite radio devices that have music recording capabilities. Paid to U.S. artists through the Alliance of Artists & Recording Companies (AARC), a non-profit U.S. royalty collective.</p> <ul style="list-style-type: none"> ▪ Alliance of Artists & Recording Companies (AARC) 	<p>Foreign public performance royalties paid to either a recording artist or their label.</p> <p><i>NOTE:</i> Since the U.S. does not recognize traditional neighboring rights, countries that participate in neighboring rights payments have historically not paid U.S.-based acts, but this is rapidly changing.</p> <ul style="list-style-type: none"> ▪ What Are They and Why They're Important ▪ A Look Inside the Fair Play Fair Pay Act
Synch Licenses (Master Recording Use)	Record Label Advance	Royalty Advance	YouTube Royalties	YouTube Partner Program
<p>Fee charged to user for use of sound recording in a movie, documentary, TV show, video game, commercial, online, or sampling. Paid to label or to artist via direct licensing deal.</p> <ul style="list-style-type: none"> ▪ Synchronization Rights Explained 	<p>Paid to artist up front as part of a recording contract signed with a record label.</p> <ul style="list-style-type: none"> ▪ How Much Advance Do Record Labels Give, And How Much Should You Try and Get? 	<p>Lump sum paid to artist based on an analysis of future royalty earnings.</p> <ul style="list-style-type: none"> ▪ Sound Royalties – How It Works 	<p>Royalties paid by YouTube for music streaming and use content ID.</p> <ul style="list-style-type: none"> ▪ How Artists Make Money on YouTube 	<p>Shared advertising revenue paid to program partners by YouTube.</p> <ul style="list-style-type: none"> ▪ YouTube Partner Program overview & eligibility
Recording And Touring Support	Retail Sales	Film Musicians Secondary Markets Fund	Sound Recording Special Payments Fund	Label Settlements From Litigation
<p>Payments from record label for recording or tour support.</p> <ul style="list-style-type: none"> ▪ The Pros and Cons of Independent Record Label Deals 	<p>Earnings from sales of physical recordings through store or mail order, paid by the label or third-party services like CD Baby or Bandcamp that help move CDs, tapes, vinyl, etc.</p> <ul style="list-style-type: none"> ▪ The Recording Industry Association of America (RIAA) ▪ RIAA – US Sales Database 	<p>Paid to performers on film, TV and other uses of music by the Film Musicians Secondary Markets Fund.</p> <ul style="list-style-type: none"> ▪ Film Musicians Secondary Markets Fund 	<p>Annual supplemental wages to musicians under the collective bargaining agreement between the American Federation of Musicians (AFM) and the recording industry.</p> <ul style="list-style-type: none"> ▪ Sound Recording Special Payments Fund ▪ List of musicians who are owed money: Check for your name here! 	<p>Payments from labels to recording artists for litigation settlements.</p> <ul style="list-style-type: none"> ▪ How To Collect Your Share of \$43.5 million Spotify Songwriter, Publisher Settlement ▪ Pandora to pay record labels \$90M in lawsuit over streaming pre-1972 music
Music Sales At Shows	Merchandise Sales	Brand Sponsorships	Fan Funding (Kickstarter, Indiegogo, Etc)	Fan Club Income/Fees
<p>Direct income to artists derived from the sale of recordings at live performances.</p> <ul style="list-style-type: none"> ▪ How to Sell Merch and Music at Shows without Being 'Sales-y' 	<p>Revenue derived from sales of branded merchandise such as t-shirts, hats, posters and other products.</p> <ul style="list-style-type: none"> ▪ Learn How Tour Merchandising Works 	<p>Corporate support for an artist, ensemble, event or often even tour support.</p> <ul style="list-style-type: none"> ▪ Can Your Band Get Music Tour Support 	<p>Generated directly from fans for support or pre-sale of an upcoming recording project or tour.</p> <ul style="list-style-type: none"> ▪ KickStarter ▪ INDIEGOGO ▪ Patreon 	<p>Income from fans for club subscriptions and other club benefits.</p> <ul style="list-style-type: none"> ▪ When And How To Make A Fanclub ▪ An Idiot's Guide to Running a Fan Club
Likeness Licensing	Endorsements	Acting		
<p>Fees earned for the use of the artist's name or likeness for commercial purposes (video games, comics, etc.)</p>	<p>Financial or in-kind compensation for the endorsement of a product, brand or company.</p>	<p>Paid for appearances in TV show, films or movies.</p> <ul style="list-style-type: none"> ▪ Learn how others did it. 16 Musicians Who Became Successful Actors 		



Producer

<i>Producer Points</i>	<i>Digital Performance Royalties</i>	<i>Writer's Credit</i>	<i>Studio Production Fee (Non-Copyright)</i>	<i>Musical Contribution</i>	<i>Producer Fees</i>
<p>Royalty percentage for contributions to the sound recording of another creative's work. Also referred to as points, album points, producer percentage, or producer royalties. Paid by the label, artist, studio or others based on contract terms.</p> <ul style="list-style-type: none"> ▪ How Do Producer Points Work in a Record Deal? ▪ How Do Producer And Songwriter Splits Work 	<p>Producers with points in a recording copyright deal are paid a share of the artist royalty, usually from all sources including those paid by SoundExchange (a PRO for digital performance royalties). Note that SoundExchange will require a Letter of Direction from the artist to the producer. It's best to get this signed during the creation process.</p> <ul style="list-style-type: none"> ▪ Producer's Share of SoundExchange Royalties ▪ How to register with SoundExchange 	<p>Royalties paid if a producer makes a contribution that earns a songwriting credit on the publishing copyright deal. Producers with songwriting credits should refer to the "Songwriter" table in this guide for additional royalty collection information.</p>	<p>Fee income earned for studio production work based on a negotiated rate.</p>	<p>Producers often contribute to performing some of the music on the track and don't realize this may entitle them to background musician royalties. As non-featured session musicians and/or background vocalists, it's important that the producer is credited as an instrumentalist on the track, or that they get a letter from the label stating that they performed on it.</p> <ul style="list-style-type: none"> ▪ AFM SAG-AFTRA Fund 	<p>Paid for producing or co-producing another artist's work. Contracted and paid by featured artist, label, studio or other entity.</p> <ul style="list-style-type: none"> ▪ Three Contracts Every Music Producer Should Know...

Musician/Performer

<i>Instrumentalist Non-Featured Artist</i>	<i>Show/Performance Fees</i>	<i>Band, Orchestra Or Ensemble Salary</i>	<i>Session/Sideman Musician Fees</i>	<i>Royalty Splits</i>
<p>5% of digital public performance royalties collected by SoundExchange are directed to the AFM SAG-AFTRA intellectual property rights distribution fund. These fees are paid to non-royalty artists when a recording hits an established sales plateau in the U.S.</p> <ul style="list-style-type: none"> ▪ AFM SAG-AFTRA Fund 	<p>Revenue earned for live performances (unless donated pro-bono or for publicity). Typically paid by the venue or promoter unless already included in a set contract or salary.</p> <ul style="list-style-type: none"> ▪ A Musician's Guide to Booking Concerts and Gigs 	<p>Recurring income earned for full-time or regularly scheduled work, whether live or in studio.</p> <ul style="list-style-type: none"> ▪ How Much Money Do Orchestra Musicians Make? 	<p>Paid from the label, producer or recording artist for a musician's work as sideman, freelancer or session player in live or recorded settings.</p> <ul style="list-style-type: none"> ▪ What Does a Session Musician Do? 	<p>If a musician negotiates points on the sound recording copyright, they are entitled to royalty earnings based on the contract terms (digital performance, digital mechanical, streaming mechanical, etc).</p> <ul style="list-style-type: none"> ▪ How Music Royalties Work
<i>Teaching</i>	<i>Honoraria/Speaking</i>	<i>Grants</i>	<i>Management/Administrator</i>	<i>Next-Generation Royalty Financing</i>
<p>Income earned from teaching music technique, songwriting, production or a related subject of expertise.</p>	<p>Payment for conducting a lecture, workshop or master class, typically paid by the school, conservatory or contracting organization.</p>	<p>Foundation or public arts grants to support a project or some aspect of your career, available through non-profits and state or federal agencies.</p> <ul style="list-style-type: none"> ▪ Funding For Musicians: Music Grants In The USA 	<p>Fee payment for serving as a business administrator or manager of a band or artist.</p> <ul style="list-style-type: none"> ▪ How to Become a Great Band Manager 	<p>Upfront cash, usually covering creative production expenses, secured with future royalty income. Specialists like Sound Royalties advance funding to creatives without putting copyright ownership at risk.</p> <ul style="list-style-type: none"> ▪ Terms based on the royalty income, not the individual. No credit qualification required. ▪ Can receive overflow royalty income. ▪ Choose payment terms from a set of flexible options. ▪ Artist always keeps ownership of copyrights.

