

From: **Redacted**
Date: 17 April 2018 at 09:29
Subject: Streaming
To: "Chris Hodgkins Esq." <chrishodgkins3@gmail.com>

Chris,

Woke up this morning to find my latest quarterly commission statement, 1st January to 1st April 2018, in my emails.

Interesting facts:

1. My music has earned \$149 these past three months of which I get 40% so \$59 dollars.
2. 41,788 streams earned me \$44.2681
- 3 Radio Broadcast with 16,589 impressions earned \$14.7307

I'm never going to be rich.

Redacted

Observations on streaming

The total number of streams is 58,377 and earned \$59. At current exchange rates \$59 would buy £42.03.

Estimated earnings per annum are £169 from 235,508 streams.

To earn the National Average Annual Wage of £27,600 2015 this particular musician would have to have his or her music streamed 38,461,659 times.

In a guest post on www.hypebot.com <http://www.hypebot.com/hypebot/2017/09/could-ed-sheeran-change-your-mind-about-making-money-on-spotify.html>

Bobby Owsinski of [Music 3.0](#) countered the argument that streaming music is worse than piracy and cannot earn big money. He used Ed Sheeran's "Shape of You" as an example. Ed Sheeran earned \$6.6 million from this particular track on Spotify. However it took 1.318 billion streams to do it. This did not include revenue from Apple Music, Amazon, Tidal, Deezer and the other streaming companies.

"Like radio, where the more airplay you get the bigger the hit, the more streams you get the better. The only thing that's changed is the scale, and that's what many in the music business don't understand. Where in the past, a million of anything was a lot, in our new digital world that number hardly creates a ripple. You get some industry interest at around 10 million views or streams, a minor hit at around 50 million, and a true hit at 100 million. Major hits are in the mid-100 millions, and of course, a big hit like Ed Sheeran's "Shape Of Your"can top 1 billion.

There's some real money to be made from streaming, but it's not coming at 10,000 or even 100,000 streams. You got to adjust the way you think about this by a factor of 100".

If you get a hit on Spotify then serious money can be paid but if you are working in jazz or any of the other "under-represented musics" then the chance of track being streamed a billion times is negligible. With streaming there is a real problem with the level of artists royalties that are paid. A physical product such as a CD will earn the performer around 12% of the published price to dealers. In the New York Times Zoe Keating a Californian musician provided a detailed case study of her earnings which painted a bleak picture. Over 6 months her songs were played 1.5 million times on Pandora earning her 1,652.74 dollars and on Spotify in the year 2012 131,000 plays earned her 547.71 dollars or an average of 0.42 cents a play. Ms Keating summed up the situation:

“In certain types of music like classical or jazz, we are condemning them to poverty if this is going to be the only way people consume music”. (1)

The underlying malaise is that new media distribution has allowed a scale of mass consumption of music hitherto unknown and in the process lowered people’s expectations of the price they should pay.

Notes

1 Ben Sisario, As Music Streaming Grows Royalties Slows To A Trickle (New York Times. 28th January 2013, available at: <https://www.nytimes.com/2013/01/29/business/media/streaming-shakes-up-music-industrys-model-for-royalties.html>, accessed on 7th April 2018

Chris Hodgkins
20th April 2018