
How a song makes money

Compositions and recordings bring revenue in a variety of ways, including those listed below.

Song rights

Compositions are owned by music publishers (such as EMI or Warner Chappell) and writers. Often, writers will publish their own songs but pay a publisher or someone else to administer their rights. In a typical arrangement, the administrator will take 20 percent of royalties off the top; publisher and writer split the rest.

Royalty sources

CD SALES

Monitored by: Record companies or by independent companies such as SoundScan

■ The standard rate gives the music publisher 8 cents per composition per copy sold, but the rate would typically go down for midline and budget-priced CDs or if a publisher had multiple compositions on a CD. Also, when a composition exceeds 5 minutes, the rate shifts to 1.55 cents per minute.

PERFORMANCE ROYALTIES

Monitored by: Companies such as Broadcast Music Inc. (BMI) and the American Society of Composers, Authors, and Publishers (ASCAP)

■ When compositions are played on the radio, at concerts, within television broadcasts, even in elevators or arenas, publishers and writers are due payment.

SYNCHRONIZATION LICENSES

Monitored by: No one

■ Fees for compositions used in movies, television shows, home video, and commercials are private-party transactions between publishers and production companies.

NEW-USE FUNDS

Monitored by: American Federation of Musicians and American Federation of Television and Radio Artists

■ When recordings are used for feature films, television shows, or advertising campaigns, the singers and musicians are often due payment, though restrictions apply.

SONGBOOKS

Monitored by: Book publishers

SOURCE: Jon Hichborn, Records on the Wall

GLOBE STAFF GRAPHIC/MICHAEL PRAGER
