

[Music Royalties 101: What They Are and How to Collect](#)

Being a musician is not as simple as writing a song, recording an album, selling it, and earning money from your sales. As an independent musician trying to make a living with your music, **it's vital that you understand what kinds of royalty streams are out there.**

The first thing to understand is that, in the most general sense, **there are two “sides” to every piece of music: the master and its [publishing](#) rights.** The master is the sound recording you hear on MP3s, vinyl, CDs, YouTube videos, etc. The publishing side pertains to the underlying musical composition – notes, melodies, chords, rhythms, lyrics, etc. – within a piece of music.

Various usages of each “side” of a piece of music generate their own royalties. If you write your own song, record it, and release it to the public, you will then earn both master- and publishing-related royalties.

There are so many different ways in which music is used these days, and new royalty streams are created as the music industry and technology continue to evolve. In 1950, no one could ever imagine that 60 years later, people would go onto a computer, search for a song, click a button, and listen to music for free.

Even though the general population can listen to "free" music, every time you play a [Spotify](#) track or [YouTube](#) video, you're still generating a royalty for that music's master and publishing rights owners. There's a complex royalty system going on behind it all. **Here are all the different master- and publishing-generated royalties that exist out there.**

Master-generated royalties

Recording royalties from download sales and streams

What are they?

A recording royalty is the most basic royalty artists and labels get every time their master recording is downloaded (on iTunes, Beatport, etc.) or [streamed](#) (on Spotify, Rhapsody, etc.).

Who collects them?

A distributor collects royalties directly from stores/streaming platforms on behalf of labels. An artist's

label will then collect the recording royalties and distribute them to the artist. If an artist is not with a label, the artist will collect the recording royalties directly from the distributor.

How do I know if I'm earning them?

You're definitely earning recording royalties if your music is selling or streaming on any basic retailer platform – iTunes, Spotify, Amazon, Google Play, Rhapsody, Beatport, etc.

How can I collect them?

An artist collects sales and recording royalties from the artist's distributor or [label](#). If you're on a label, always stick with the label – never go directly to the distributor. This is basic etiquette that is usually laid out in distributor-label contracts.

[Symphonic Distribution](#) has tailored distribution solutions for both independent artists and record labels. [Find out more](#) about how they can help you collect your recording royalties.

YouTube recording royalties

What are they?

YouTube is the world's largest and most oft-used platform for listening to music. As I mentioned before, master rights holders (labels or performing artists) earn royalties every time their recording is streamed within a YouTube video – **if your video has an advertisement attached to it**. YouTube earns its revenue from its advertising partners, then shares it with musicians and music rights owners who help the site generate billions of views.

It's very important to clarify that publishing rights owners (publishers and songwriters) also receive money from YouTube, but **YouTube sends its portion of the royalty pie to performing rights organizations (PROs)**, which you'll read more about later.

YouTube collects royalties using incredible technology called Content ID, which creates an [audio fingerprint](#) of your recording, ingests that into YouTube's massive database, and tracks every single time someone uploads and streams your recording on YouTube. That means that whenever someone you don't know uploads a video with your song to YouTube without getting your permission, **YouTube tracks that, throws an advertisement on the video, and monetizes it on your behalf**.

Who collects them?

YouTube allocates the royalties to master rights holders.

How do I know if I'm earning them?

If you're a master rights holder (i.e. a label or performing artist on a recording), and your recordings are on YouTube – whether on your own channel, your label channel, or anyone else's channel – you have the ability to earn YouTube royalties via Content ID. **The more views, the more revenue you generate.**

How can I collect them?

You can go to YouTube directly to get these royalties, but there is a massively long waiting list, and most applications go unanswered. There are companies out there that [collect YouTube recording royalties](#).

Neighboring rights royalties

What are they?

Neighboring rights, sometimes called "related rights," is a term in copyright law used to describe the rights of performers and master recording owners (record labels). The concept of neighboring rights is similar to that of performance rights in the field of music publishing because both kinds of royalties are earned through public performances or broadcasts of music. **But while performance rights refer to the right to publicly perform the musical composition, neighboring rights refer to the right to publicly perform the sound recording.** They are called neighboring rights because they are "related to" performance rights in the field of music publishing, or the right to publicly perform a musical composition.

Who collects them?

Neighboring rights royalties are collected by [neighboring rights collection societies](#). In order to collect the neighboring rights royalties you are owed, **registering your individual master recordings directly with each collection society** in the territories in which you are getting radio play is absolutely essential.

How do I know if I'm earning them?

If you're a sound recording owner (record label or performing artist) and your master recordings are publicly performed or broadcast on the following media, you – and the artists performing on those recordings – are earning neighboring rights royalties!

You're earning neighboring rights royalties if your music is being played on:

- Pandora (or any internet radio platform)
- BBC Radio, Sirius XM (or any satellite radio platform)

- Cable TV music channels
- Terrestrial radio outside of the USA
- Businesses and retailers as background music (i.e. restaurants, retailers, hotels, etc.)
- Live in clubs or performance venues
- Various new online media as digital music technology changes and develops

It is important to realize that **just because your recordings are selling well in any given territory does not mean you are earning neighboring rights royalties**. Neighboring rights royalties are earned when your master recordings are publicly performed and broadcast, not sold. With that said, if there is a large rise in sales in any particular territory, this might be an indicator that radio play has occurred. So any neighboring rights administrator should take note of significant increases in sales!

How can I collect them?

If you're a performing artist and know your recordings are getting radio airplay, talk to your record label that released your music. See if the label is already collecting these royalties for you – **or if they themselves need to get on board with this to collect these royalties!**

Publishing-generated royalties

Performance royalties

What are they?

Performance royalties are earned when a song is broadcast or performed publicly in some way.

Who collects them?

Performing rights organizations (PROs). Each major world territory has a PRO.

How do I know if I'm earning them?

You are earning performance royalties when your songs are broadcast and publicly performed.

You're definitely earning performance royalties if your song is:

- Played on internet radio (like Pandora)
- Played on terrestrial radio (i.e. 93.3 FM, 100.7 FM, etc.)
- Played on online streaming services like Spotify
- Performed at live venues or clubs (whether by you as a performer on your tour, a well-known DJ in a club in Sweden, or a cover band in a pub in Nashville)

- Played in businesses and retailers of all kinds (hotels, restaurants, retail stores, big offices, etc.) as background music
- Broadcast on TV (whether on an episode of a TV show, a sports channel in passing, or in an advertisement for another brand)

Performance royalties are definitely a special royalty type. **Just because you're distributing your music with a digital distributor like Symphonic doesn't necessarily mean you're earning performance royalties.** But you can increase your chances of earning them in many different ways.

How can I collect them?

In order to collect the maximum performance royalties you deserve from the PROs, you need to affiliate yourself as a writer and register your compositions with every single PRO in the territories in which you're generating performance royalties. This can easily be accomplished through [Symphonic Distribution](#).

Mechanical royalties

What are they?

Mechanical royalties are earned per-unit when a song is sold on a "mechanically reproduced" physical medium (i.e. vinyl or physical CDs). Nowadays, this includes digital downloads and internet streaming as well. "Mechanical" can sound confusing in the digital age. The word "mechanical" stems from the early days of the music industry when compositions were physically, or mechanically, manufactured and reproduced onto physical products for public consumption.

Who collects them?

Mechanical royalties are collected from mechanical collection societies. Each major world territory has a mechanical collection society.

How do I know if I'm earning them?

You're earning mechanical royalties when your song is:

- Manufactured and sold on physical CDs or vinyl products
- Reproduced and sold as ringtones
- Streamed through interactive streaming services (Spotify, Radio, Beats, etc.)
- Sold in digital retailers for digital downloads (iTunes, Beatport, Amazon, etc.) outside of the USA

In the USA, the mechanical royalty share goes straight from iTunes to the distributor to the label. In countries outside of the USA, your mechanical royalty is picked up from iTunes and thrown elsewhere.

If you are distributing your music to stores and streaming platforms worldwide using a digital music distributor like Symphonic Distribution, and if you are seeing sales and streams result, then you are definitely earning mechanical royalties.

How can I collect them?

Mechanical collection societies make it unreasonably difficult for independent songwriters who are not signed with a publisher to collect their mechanical royalties. **Many of these agencies, including the Harry Fox Agency in the USA, don't let unsigned songwriters collect their mechanical royalties.** Yep. Again, in order to collect the maximum mechanical royalties you deserve from these agencies, you need to [affiliate yourself as a writer](#) and register your compositions with every single mechanical collection agency in the territories you're generating high download sales and streams.

Print royalties

Print royalties are earned when a composition is transcribed onto sheet paper, printed in songbooks, and published for the general population to purchase and play your music at home on their personal instruments for fun. **Print royalties are really only applicable to a songwriter if he or she has a Top 40 radio hit** – think pre-teens taking piano lessons and buying Taylor Swift sheet music online, or purchasing a Guns N' Roses hit on sheet music to sight-read on your guitar.

As you can see, the royalty landscape in the music industry is rich with possibility. You just have to know where to go.

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