



21 MUSIC INCOME STREAMS

#1 Sync License Fees

This is an upfront license fee paid directly to you by anyone who wishes to “synchronize” YOUR COMPOSITION (Words and Music) to picture. Whether it’s TV, film, a video game, a YouTube video, commercial, podcast, etc., it is considered a “Synchronization” Fee and is tied to your COMPOSITION.

#2 Master License Fees

This is an upfront license fee paid directly to you by anyone who wishes to “synchronize” YOUR MASTER (sound recording) to picture. Whether it’s TV, film, a video game, a YouTube video, commercial, podcast, etc., it is considered a “Master” License Fee and is tied to your SOUND RECORDING.

#3 Public Performance Royalties

These are royalties owed to YOU anytime a composition that you created airs publicly. On radio, television, theatres, Netflix, on the grocery store overhead speakers, anywhere. They are paid to you by your Performing Rights Organization and almost every country around the world has one. In the United States, there are three and you can affiliate with ONE as a composer/writer--[ASCAP](#), [BMI](#) or [SESAC](#). If you’re not already a member, you need to sign up!

#4 SoundExchange Royalties

[SoundExchange](#) is a U.S.-based organization that collects ROYALTIES for SOUND RECORDING COPYRIGHT OWNERS (SRCO’s or Record Labels) and FEATURED ARTISTS and NON-FEATURED ARTISTS for when their Sound Recordings are played on DIGITAL RADIO (Internet Radio, Satellite & Cable Radio such as Pandora, SiriusXM, MusicChoice and more). So, if you’re a singer and you sing someone else’s song on your record, you’re due 45% of the royalties due to the FEATURED ARTIST on that track. 50% is paid to the RECORD LABEL. And NON-FEATURED ARTISTS are paid the remaining 5%!

#5 Neighboring Royalties

In the United States, except for the SoundExchange Royalties described in #4 (satellite radio, digital radio), the only royalty paid for public performance of a record is due to the Songwriter and Publisher of that song (ASCAP, BMI, SESAC). However, outside the U.S., there are public performance royalties paid to the RECORD LABEL and FEATURED ARTISTS on the tracks! That means if your song and your record that you own airs somewhere outside the United States, you are owed Neighboring Royalties for that use of your performance on your record! Neighboring rights royalties are collected by societies such as the [Phonographic Performance Company of Australia](#) (PPCA) and the UK-based [Phonographic Performance Limited](#) (PPL). The easiest way for you to start collecting these royalties is to affiliate and register your master recording with a local collection society and the territories where your music is being publicly performed and broadcasted the most.

#6 Harry Fox Agency (HFA)

The [Harry Fox Agency](#) was set up in 1927 to manage and collect mechanical license fees on behalf of music publishers in the United States. If another label or artist wants to “cover” (sing a rendition of) your original composition, that label can go through Harry Fox to secure a Mechanical License to use your composition without getting permission (assuming it’s registered with HFA) so long as they comply with paying the statutory rate (currently 9.1 cents) to the owner (the Publisher). They can do this through Harry Fox or direct to the publisher. For example, if Drake covers your song and it goes platinum (\$1 million in sales), the publisher should receive \$91,000 for that \$1 million in sales.

#7 Mechanical Licensing Collective (MLC)

Launched in January of 2021, The [MLC](#) issues and administers blanket mechanical licenses to streaming and download services (Digital Service Providers like Amazon Music, Spotify, etc..) in the United States. The MLC collects the royalties from the DSPs (Digital Service Providers like Spotify, Amazon Music, Tidal, etc.) and pay Songwriters, Composers, Lyricists and Music Publishers.

#8 Micro-Sync Licenses

This term came about mainly due to YouTube Content Creators. Instead of nominal large sum of money for a licensed use of a song or master (a 'sync fee' or 'master fee') in a TV Show or Film or Commercial, a 'micro-sync' refers to smaller licenses such as someone's personal YouTube Channel, for personal projects, indie films, smaller companies). These Micro-Sync licenses are called that because they are small in terms of dollar amounts, ranging anywhere from \$2-\$99/license, they tend to be minuscule compared to what you would get in a proper "sync" license. Micro-Sync income can add value, but we caution you against relying on it as a primary source of income. It can also devalue your copyrights by having too much material with Micro-Sync companies.

#9 YouTube Content ID

Content ID is a system developed by YouTube to manage the ability of rights holders to monetize the unauthorized use of their songs on YouTube. If you have your songs publicly available on the internet (Bandcamp, YouTube, your website, Soundcloud, etc.), chances are somebody, somewhere in the World has literally "ripped" your song from the Internet and used it to score their YouTube video. Content ID takes an 'audio fingerprint' of your master and scans the YouTube network to find such uses and attaches Ads to that video and then share that Ad revenue with YOU! Unless you have a large catalog, you won't be able to register your tracks directly with YouTube Content ID. Depending on the distributor you use, these services are often provided either as an add-on feature or included. You can also use a third-party service such as [Audiam](#) to ensure your tracks used on YouTube are being monetized correctly.

#10 Music Reports

Like the MLC, [Music Reports](#) collects mechanical royalties from the DSPs (Spotify, Amazon Music, etc.) and Interactive Streaming Services (SoundCloud, Pandora, Slacker, Tidal, TikTok). They administer blanket licensing deals for these services.

#11 Non-U.S. Mechanical Royalty Collection

Outside the U.S., there are several international societies that collect mechanical royalties every time your record is copied on CD or DVD, Streamed, or downloaded, and used in TV, Film or Radio. If you are a composer in the U.S. and one of your songs lands on a BBC broadcast in the U.K., there are mechanical license fees to be collected on. These fees are set and regulated by [Mechanical Copyright Protection Society](#), so it is of your benefit to join MCPS as a writer or to work with a Sub-Publisher in the U.K. to help you collect those monies! Registering with collection societies around the globe can be time consuming and expensive. Publishing administrators, such as [Songtrust](#), will register and manage your publishing with collection societies for a one-time fee and small percentage of your royalties.

#12 Single or Album Sales on the DSPs

DSP stands for Digital Service Provider. Examples of DSPs would be Apple Music, Spotify, Amazon Music, Tidal, etc. Because this is the golden age of the DIY artist, and there are so many platforms available for you to self-release your music and offer it for sale such as these DSPs.

#13 Live Performing

You can play live at venues or even perform at a “house party” for a friend – either having a “cover charge” or a “tip jar” – just make sure they sign up on your mailing list! It’s all about capturing the email so they are in your world. You can also do livestreams from your home to your fans and using sites like [Patreon](#) or Twitch to receive donations. And make sure you report your set lists to your PRO (i.e. [BMI Live](#) or [ASCAP OnStage](#)).

#14 Physical Sales

It has worked for centuries and still works today – if you genuinely connect with your fans live, they will buy your CD, T-Shirt, Bumper Sticker, Keychain, Coaster, Frisbee, whatever it is!

#15 Ringtones

A forgotten art, but they still sell! People crave customization. APPLE MUSIC has a special section of their store for selling Ringtones. Create :30 versions of your songs and sell them as Ringtones!

#16 Sample Packs & Beat Licensing

Companies like [SPLICE](#), [BEATSTARS](#), [AIRBITS](#) and [NOIZZ](#) have revolutionized the way producers are selling their music. You can make a beat pack, “breath sounds”, vocal samples, whatever you can imagine, package it and sell it as a “royalty-free” sample pack for other producers, rappers, and other artists to use in their projects!

#17 In-Store Radio

Music heard on the overhead speakers must be paid for and licensed. There are many companies around the world that specifically focus on “In-Store Radio” music use. Just search on Google for “In-Store Radio”!

#18 Union Fees

In the United States, if you join one of the Unions such as [SAG-AFTRA](#) or [AFM](#), there are union fees sometimes due to you when your recordings are used in Movies and on TV if it is a Union production.

#19 Live Sporting Events

There are live sporting events around the world such as Cheerleading, Dog Shows, Bodybuilding, Extreme Sports, Ice Skating, and more that need music. Sometimes Music Libraries license to these events but often, you can reach out directly to the companies or venues hosting these events and make a direct licensing deal.

#20 Music Libraries

For most composer/producers wanting to get into Music Licensing, we would highly recommend researching and partnering with a Music Library. A Music Library's main purpose is to license music for media, mostly film & TV, although many libraries focus on trailers and ads and other media as well. Partnering with a trusted library can be a great way to get your music in the hands of an established company with years of success to set you up with a lifetime of royalty income.

#21 Music Production Services

Another way to make money as a producer is by selling your services and skills, such as mixing, mastering, recording, editing, composing, etc. There's a plethora of musicians, ad creators, and other artists who need help with things like music production and post-production, audio editing, recording, and more. You can register on an online freelancer marketplace, such as Fiverr, Upwork, Freelancer.com, or SoundBetter. You can also let people know you offer such services through your social media channels, as well as tell your friends. You never know – maybe they'll meet someone looking for the exact skill you offer and will be able to recommend you. Don't forget to add a section on your website that outlines what services you offer, along with a contact form that allows people to easily reach out to you. The more services you can provide, the easier it will be for you to get a gig. You've got the skills, so why not also teach it as part of your services? There are many ways you can teach music production. Do seminars, organize meetups, write eBooks, create online courses and tutorials, and sell your knowledge on online learning platforms like Skillshare or Udemy, or directly through e-commerce sites like Sellfy, Shopify, or Gumroad.

Conclusion

There you have it, 21 Music Income Streams! As you can probably imagine, it's a lot of work to collect these revenue streams, and it's a full-time job that no one person can do alone. But it's vital to understand what they all are so you know where your money is coming from. By reading this guide, you've taken the first step towards becoming a savvier music producer.

If you would like personal advice and assistance with building your producer business so you can start earning a consistent and predictable income, whether it is by selling beats, sample packs, mixing and mastering services, ghost production, licensing your songs, or all the above, we invite you to book a 100% FREE, no-obligation, NO strings attached strategy call with our team! We'll help you get clarity on how you can reach your goals faster!

[>> CLICK HERE TO BOOK YOUR FREE STRATEGY SESSION](#)

[Music Producers Alliance](#)[®] is an online community and professional development platform that provides learning resources, networking opportunities, and mentoring to emerging producers and composers. Our mission is to help music creators turn their passion into a profitable profession.