

A Musician's Livelihood: Bringing Together Educators and Leaders to Examine Perceived Barriers to Profitability Through Musicians' Lens

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Abstract

Building, maintaining, or scaling a sustainable music ecosystem business can be challenging due to a lack of resources to improve business operations, a lack of consistent goals, or know-how to capture and enhance customer value in an oversaturated and competitive music industry. According to Amy Wang, most musicians in the United States make \$25,000 a year or less, and Next Big Sound follows up by stating that approximately 91 percent of artists go undiscovered. This study interviewed twelve independent musicians and used four common themes of the business of music, access to resources, digital technology, and performing rights organizations to examine perceived barriers to profitability and understand why they have an unworkable business model. The findings will teach students and assist musicians on how to implement the domains associated with Daniel Isenberg's entrepreneurial ecosystem framework so they can work towards establishing a sustainable music ecosystem and reducing perceived barriers to profitability. Educators, leaders, and individuals concerned with the music and entertainment industry, or the education side will be able to analyze the musicians' imbalanced resource allocation.

Keywords: music business, music industry, music industry education, business models and innovations, entrepreneurial ecosystem, profitability, music business sustainability

Introduction

The music business is one of the most complex and challenging businesses that exists today. For approximately 143 years, or since around the 1880s, money has been in

or around the music business.¹ However, the present-day challenge lies in the fact that there is a disconnect between musicians and the music business on how to make consistent money. Why is there a disconnect? It is often overlooked by many that music has never truly been sold or marketed as a standalone product. For example, during the 1920s, businesses aimed to increase radio sales by adding sponsored musical segments, classical music shows, and weekly concerts on the radio because they recognized that music played a significant role in driving up their sales.² Another example is the jukebox. Initially created to be a voice recorder for office dictation, the jukebox gained popularity as a cheap version of musical entertainment featuring popular songs. Fast forward, many musicians are struggling financially today because they fail to realize or understand the evolution of the music business and that they are a business. Therefore, many musicians have turned their music into a liability instead of an asset.

The Struggle

Countless independent musicians struggle with making consistent money because of innovation in technology and the disrupted music industry supply chain. Therefore, several musicians deal with foreseeable and unforeseeable challenges in trying to have a sustainable career in music.³ Also, some independent musicians have not gained knowledge or enough experience on how to use their skill sets or leverage to work in and out of the industry.⁴ Furthermore, they have also not discovered how to profit from their music and brand with entrepreneurial competencies to create or keep a sustainable career.⁵ Frequently, when musicians lack strategies, consistent branding, or knowledge of how to capitalize on their music, they tend to deal with low economic growth in their business, possible unemployment at

times, or they may have to change their music career altogether.⁶

In addition, nearly 91 percent of artists go undiscovered and never truly monetize their value because of the barriers to profitability that they may encounter.⁷ So, why do they have to deal with this problem at such a high percentage? First, we should comprehend that some barriers will automatically come with trying to have longevity in the music industry because of factors such as knowledge, skill sets, and influence play a factor. Also, dealing with other factors such as musical barriers, ethical barriers, or structural barriers such as cost advantages, working relationships, access to distribution, or regulation such as intellectual property to finding a customer base or having startup money impact whether or not musicians are able to be discovered or create profitability.⁸ For many, the common factors may have included being a barrier to themselves and their lifestyle habits and choices that caused them to not be as successful as they could have been coming out of the gate. Some said they used too many drugs or drank too much alcohol, dealt with people who did not have their best interest at heart, had a child or two which made them lose focus or change their priorities, had bad relationships, or worked a full-time job while pursuing music as a weekend side hustle.

The Challenging Setbacks

As musicians are on their journey to try to build, maintain, or scale their music business, many deal with problematic factors at some point in their life. They are either dealing with a fixed mindset which limits their growth, imbalanced resource allocation due to not knowing how to leverage what they do have so they can get to what they want, or an unworkable business model which leads to unstable income, systems, and processes, among other things. Additionally, a lot of musicians have no idea how to cope with things going on in their daily lives, how to anticipate worst-case scenarios and have a plan of action to deal with the obstacle, how to build or utilize a team, and most importantly, how to ask for help when they are facing a hindrance. It is a continuous and sometimes cruel cycle for many musicians trying to find their way in a cutthroat industry.

Why The Negative Outcomes?

So, why do independent musicians experience negative outcomes when trying to minimize perceived barriers to profitability? The two most common themes that we found during our research based on conversation as it relates to negative outcomes when dealing with perceived barriers to profitability, revolved around understanding the business of music and having access to resources. Many musicians felt that there was too much information and they were not sure which resources were credible or the information

did not provide enough detail for them to gather a complete understanding of the information that they needed at that time such as learning the breakdown of music royalties, finding opportunities, and making consistent money. Other musicians felt their resources were limited in what they wanted or needed to do as far as creativity or expanding their brand was concerned. Other factors not explored, but heard during conversation, consisted of mental health issues, not having revenue generating activities, and/or no action-oriented tasks.

Overcoming Negative Outcomes

After we were able to gain an understanding of why a handful of independent musicians experience negative outcomes when trying to minimize perceived barriers to profitability, we wanted to know how musicians were able to overcome those negative outcomes. The two most common themes that we found during our research based on conversation consisted of digital technology and performing rights organizations. They used YouTube, social media, and networking to break barriers. Also, they made sure to register their music as well as learn and understand paperwork when it came down to the business side of music. Other factors not explored, but heard during conversation, consisted of having a positive mindset, unwavering strength, and being creative.

A Problem-Solving Strategy

No matter the situation, most musicians will eventually face a problem that they will have to deal with at some point in their life. Therefore, they will need an effective strategy or an action plan to solve the problem. Although this problem-solving strategy does not guarantee a solution for every musician, this strategy should be able to help guide musicians through the process of finding an answer that will work best for them at that time. One problem-solving strategy to use could be the Daniel Isenberg's Entrepreneurial Ecosystem tied with Resourceful Prosperity. Together these two components can help musicians find a come close to solution that would be faster than finding a perfect solution as well as provide complex opportunities to possibly reach economic success and resource allocation.⁹

Learn, Create, and Grow

To create a sustainable music business, musicians must realize that most of their learning is going to come from experiences, other people, and other types of education such as books and courses. Therefore, they must be willing to find mentorship through community and collaboration and through mentors who have expertise in their particular field or industry. Also, musicians should always work on or towards their portfolio career training and development because that is how they will increase their income over

time. Lastly, for musicians to create, maintain, or scale their music business for sustainable growth, they must nurture their fans and their personnel.

Conclusion

There is no one path to possibly creating a sustainable music business. There will always be struggles, challenging setbacks, and outcomes whether good or bad that may affect a musician. The reason we say *may affect* is because each musician has a different tolerance level when it comes to winning and losing at the game of life and business. But it will take a musician to have the right mindset and resourcefulness in everything that he or she does in or around music to make things work long-term.

Endnotes

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Hawkins holds a Doctor of Business Administration degree from Northcentral University. Her research in the field of the music industry business led her to author her doctoral study entitled "A Musician's Livelihood: A Qualitative Study Examining Perceived Barriers to Profitability for Independent Musicians." In addition to her DBA from Northcentral University, she received a Music Industry Certificate in Music Industry Essentials from the Clive Davis Institute of Recorded Music at New York University Tisch School of the Arts in conjunction with *Billboard*. Dr. Hawkins is a member of the Music and Entertainment Industry Educators Association and the Music Managers Forum.



David Cross is a key educator involved with being a liaison between students and entrepreneurship education. Whether it is through music entrepreneurship, business, education, online learning, or marketing, he is passionate about helping student entrepreneurs along various paths. His

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