

HOW TO MAXIMISE YOUR ROYALTY EARNINGS THROUGH YOUR PERFORMING RIGHTS ORGANISATION

Hi there, Rohan Healy here of Beardfire Music and The Dublin City Rounders. In this article, I want to touch on songwriting royalties and a few ways to ensure you are getting the most of your PRO (Performing Rights Organisation) membership and the most out of your songs!

If you're new to song writing, know that a PRO is an organisation dedicated to collecting and distributing royalties generated by the public performance of a song to the writers and/or publishers of that song. So if a song is played on the national radio, for example, a royalty is generated for that song and the PRO will collect and distribute it to the owner of the song.

This royalty payment is taken from the annual licence fees paid to the PRO by every business, venue or broadcaster for the public use of music. When a song you wrote is played in a shop/hotel/pub, on the radio, in a film or on TV, live at a public gig, used as a "on hold song" or in an advert, a royalty is generated, and can be claimed. That's the system in its most basic form. Ireland's PRO is IMRO. Other large PROs include SESAC, BMI (USA), ASCAP (USA), PRS (UK) and APRA AMCOS (Australia).

Sadly, many musicians and song writers I talk to – and I talk to a lot – have no idea that they could be making extra money on their songs through a lack of understanding of this system and how to get the most out of it. So, one by one, let's take a look at the common royalties generated and how to go about getting them into your bank account.

Most professional musicians know that when you perform a medium to large ticketed event that is invoiced, not only will you (hopefully!!) be paid to perform on the night, the song writers will also receive a payment from the percentage of the ticket takings allocated to the public broadcast of the material. After the show a set list should be submitted to the promoter who will forward it onto the PRO so that the royalties can be distributed fairly among the songs performed on the night. Even if you're the support act you are entitled to submit your set for a share of the royalty. My tip here is to be on the safe side and contact your PRO personally with the set list from the show and any details about the show; date, venue etc. This will ensure you're not relying on a promoter or venue to get those details across, and be left disappointed if they let you down.

What many musicians I've spoken to don't know, however, is that even smaller, un-ticketed events may still generate you a few extra bob, as long as you are performing original material, of course. Most PROs will have a tours and residencies scheme, as IMRO does here in Ireland, which offer to pay a set fee per live performance of your original material, usually on a self-reporting basis, which is then verified. If you have a regular weekly gig that sees you perform a significant portion of original material and you begin submitting your dates and set lists, you'll begin to earn a pleasant bonus on top of whatever fee you may be getting to play. And if it's not a paid gig you'll at least cover your costs with the royalty payment.

Though I'm most familiar with the IMRO website, the bigger PROs all have websites that enable you to register your songs, set lists and performances. So if you're playing live, this is something you must do to maximise your earnings. The time you have to claim a performance varies depending on PRO and type of royalty. For example, in Ireland for "Tours and Residencies" as described above, you can only register shows from the previous quarter. Anything beyond 6 months is gone. For invoiced/ticketed events, the claim period is longer, and depends on things like which country the event took place in, so please see the specific policy or ask a member of staff at your PRO for details if you have a ticketed gig that you think you may be able to claim on.

My point here is this: Anytime you play a set of your own songs in a public venue, be it a cafe, bar or bank (yes I've played at a bank), you are generating a royalty. It may be small in isolation. However, when your 3 month statement comes in, it may be a few hundred extra bucks that you would not have seen at all if you didn't submit your gigs to your PRO. Visit your PRO website, read the section on claiming for live, and damn well ensure you are getting what you are owed.

Radio: Local, Community and National

When your song is played on the radio, two royalties are generated. One is for the writer/publisher and another is generated for the master recording owner/record label (this latter royalty is collected and distributed by another type of organisation dedicated to collecting master recording rights royalties on behalf of labels - in Ireland this is the PPI).

If you are an independent artist who funds their own recordings and plans to make significant income from radio and television broadcast of their songs, it is wise to become registered with a recording rights controller like PPI or PPL (UK), and register as a record label. This will ensure you gain the maximum amount generated when your songs get aired. You will also get other perks like the ability to generate ISRC codes for your recordings.

But coming back to the writer/publisher royalty. As long as your song is registered with your PRO, you will be paid a royalty for radio airplay. There are systems in place between radio stations and PROs to submit/collect playlist data so most of the time if your song is played on a large station you will receive your payment without having to do anything. However, it's not a perfect system and some of the smaller stations don't always get picked up. If you don't have a label/publisher, it's completely up to you to keep track of your radio plays and submit them to your PRO. As with gigs your PRO site will have a facility to report your broadcasts. Report any broadcasts you know of so that your PRO is aware your music is being played, and will ensure that you receive whatever royalty may be generated.

Now while national and large independent radio stations may generate fairly large royalties on a per play or duration basis, some smaller, community and regional stations pay out based on an average of what is being played on the bigger stations. Naturally it's not possible to catch every single song play across the world so PROs employ a system whereby a pool is created for smaller stations and is paid out to artists gaining airplay on the major nationals. The assumption is that community stations will closely enough match their big brother stations for content (Classics/Local music/Pop/Latest Hits/The Major Genres). This, of course, means a lot of smaller acts will often not get a direct

royalty payment for their song being played on local/community radio which is unfortunate! However, if you do manage to get your song on a national station like RTE, BBC (UK), ABC (Australia) etc, you will receive a “per play/duration” royalty plus a percentage of the “community/local radio” pool which is great motivation to get your stuff out there! That’s how it works in Ireland. Always double check yourself for other regions.

My point here is this: If you want to make decent money from radio airplay, make sure you are getting your song writing royalty and your master recording royalty by registering your recordings with the relevant agency (PPI in Ireland). Then try as hard as you can to get your songs played on the bigger, national stations. Not only will you receive larger per play/duration royalties, you’ll also earn a percentage of the community radio pools.

For your information, smaller regional stations, while great for exposure and getting listeners, pay out much smaller royalties. You’re talking the difference between 8 or 9 cents and 30 to 50 euro per play when compared to the bigger stations. It’s best to hit all stations, as everything adds up, and radio is not just about royalties - it’s about getting your songs out there, getting them heard and building an audience, but keep these figures in mind as you plan your radio strategy.

Film & Television: Scoring, Adverts and Background Music

Let me start by saying this is a huge, huge topic so I’ll only be able to scratch the surface here. Let’s start with having a song of yours being used in a film, tv show or advert. Usually if it’s a major, high profile and high budget project, a licence fee will be part of the deal. This is a one off fee paid for the use of the song in the project with a set of rules applied (usually regarding territory and how the song may/may not be used) and sealed via contract. Licence fees for the use of a song in film and television can range from zero to the tens and even hundreds of thousands for the top projects.

After the licence fee comes the royalty. When the show, advert or film is broadcast on the TV, theatre or radio (radio ad), a royalty is generated. The amount depends on the size of the tv/radio station, and - where film is concerned - the region in which it is being shown (there is no royalty paid for music for films played in US theatres but in Europe 1% of box office is set aside to pay royalties for songs used in the film).

It would be wise to seek a decent licence fee for the use of your song in a film that will only be released in theatres in the US as you won’t see any box office royalties. However, for films shown in Europe, you may have room to negotiation on the fee as you’ll be getting something on the back end. Particularly if you’re starting out with scoring or are asked to use your music in smaller, independent projects, it may be smart to waive the fee, or take a reduced one.

I know I’m supposed to be telling you how to make money not lose it, but getting music in visual works can be a hugely lucrative revenue stream for a songwriter over time, but is also a notoriously tough nut to crack. So in the beginning any credit is better than none. It gives you leverage when approaching bigger projects. Plus if the indie film becomes a surprise hit, you will still retain ownership of the song and be due any royalties generated by tv/radio/theatre plays. Don’t take my word for it either; I took this tip personally from chats with Todd Brabec of ASCAP and it is very sound advice.

The same rules that apply for gigging and radio airplay apply here. There are mechanisms in place to collect data on which songs are being used in order to make sure the writers, publishers and master recording copyright holders are getting paid. However, if you are independent and working mainly on smaller projects, it's best to report any work to your PRO as well. For scoring work or if your song appears in a TV show or films, ask the production company for a copy of the "Cue Sheet". This document contains all relevant data regarding which songs are used where, how they are used and for how long. You can submit this to your PRO along with any information you may have on where and how often the programme/film is being broadcast/shown to ensure you get whatever royalty may be coming to you. The same goes for adverts. I've had trouble getting payments for radio adverts in the past due to sloppy reporting but with a little research and persistence I was able to put together relevant info, submit to my PRO and get my royalty.

My point here is this: Getting your songs in film, tv and advertising is the holy grail for a lot of songwriters, but it's important to do the little things right. Don't get ahead of yourself when starting out and don't let licence fees stop you from getting your tunes in a project. If you stick at it and build slowly, you'll be able to command larger licence fees, but always think of the royalty early on. And remember to always submit your works and film/TV/advertising projects to your PRO.

Businesses: Hotels, Bars and Background Music

Did you know that every single business that has music playing in the background – yes, even having the radio on – must pay a licence fee to the PROs (IMRO and PPI in Ireland) to be legally allowed to publicly broadcast music in store? Pet shops, florists, hairdressers, hotels, department stores as well as the obvious ones like pubs and venues must all pay a licence fee. This fee gets pooled and distributed in a fashion similar to the community radio as described above. Of course, businesses aren't going to report on every single song played in their shop that day, so an analogy is used. Take a look at the breakdown below to see how the pools are sourced in Ireland (Source www.IMRO.ie):

Background Music – Hotels & Restaurants

Hotel Background revenue is distributed on the basis of an analogy using selected radio logs and chart information.

- 30% – RTÉ Radio 1 logs for the period
- 28% – Album charts for the period
- 18.9% – Album charts for the previous period
- 17.5% – Q102 logs for the period
- 2.8% – WLR logs for the period
- 1.2% – Highland Radio logs for the period
- 1% – LMFm logs for the period
- 0.6% – Galway Bay FM logs for the period

Background Music – Shops & Bars

Shops & Bars Background revenue is distributed on the basis of an analogy using selected radio logs and chart information.

- 37.4% – Album charts for the period
- 25% – Album charts for the previous period
- 11.3% – Radio 1 logs for the period
- 9.1% – Q102 logs for the period
- 7.6% – 2FM logs for the period
- 3.1% – WLR logs for the period

- 2.9% – Highland Radio logs for the period
- 1.7% – LMFm logs for the period
- 1.3% – Galway Bay FM logs for the period
- 0.6% – Clare FM logs for the period

Commercial Discos/Clubs

Disco revenue is distributed on the basis of an analogy using selected radio logs and chart information.

- 32% – Single Charts for the period
- 20% – Music Week Club charts for the last 2 periods
- 16% – Album Charts for the period
- 16% – Spin FM logs for the period
- 16% – 98FM logs for the period

So as you can see the data used is slightly different, depending on the type of business broadcasting music. Discos and clubs data is taken from the singles charts and major independent popular music stations to best reflect what's being played in the clubs, while the Hotels and Restaurants and Shops and Bars categories also source radio data in line with what they are most likely to be playing. So what this tells us as songwriters and recording artists is that it's damn important to get your music played on major and national radio.

My point here is this: Short and sweet; the more your music is played on radio, the more pools and sources of revenue you gain access to. If you want those BGM (Background Music) bucks, hassle and hassle your way onto the big radio!

In Conclusion

There are many ways to earn money from your songs, big amounts and smalls, but boy does it add up. Join your PRO (IMRO if in Ireland), register your works, submit your live performances, get your songs on any and all radio, get your songs in any and all film and television projects you can, and make sure you report any plays you receive to your PRO. That's as simple as I can put it. Do this consistently and earnestly over a period of time, watch it build, see it grow and start earning what you deserve for your works! I really have only scratched the surface here, but I hope I've given you some tools and ideas to help build on your songwriting career. Have fun, create and make your living.

About The Author

Rohan Healy, a dual citizen of Ireland and Australia, is owner and CEO of Beardfire Music. After studying acting, music, legal studies and commerce at Trinity Catholic College Lismore, Rohan began a full time career in music which has spanned the past 15 years. In that time Rohan has written, recorded and produced 10 solo albums, appeared on The Voice UK and Busker Abu with The Dublin City Rounders, shared the stage with the likes of Cat Power, Lloyd Cole and Jim Lauderdale, booked and performed almost 1,000 shows in Australia, the UK, Ireland and Europe and has dozens of production, songwriting and performance credits on other artists' works.

Rohan also studied acting at The Australian Theatre For Young People and appeared in a number of stage plays as a young adult. Rohan works closely with father David Virgin (Healy) (of SPK, Sekret Sekret) and brother Al “Quiff” Healy (of Quiffs N Coffins) on The Dublin City Rounders, The Annual Dublin City Rounders Alt-Country Song contest and the running of Beardfire Music.

Rohan offers personal music business consultation on booking, management, live performance coaching and music exam prep, publishing and royalties, and is a music producer at Beardfire Studio.

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