

Louder & Clearer

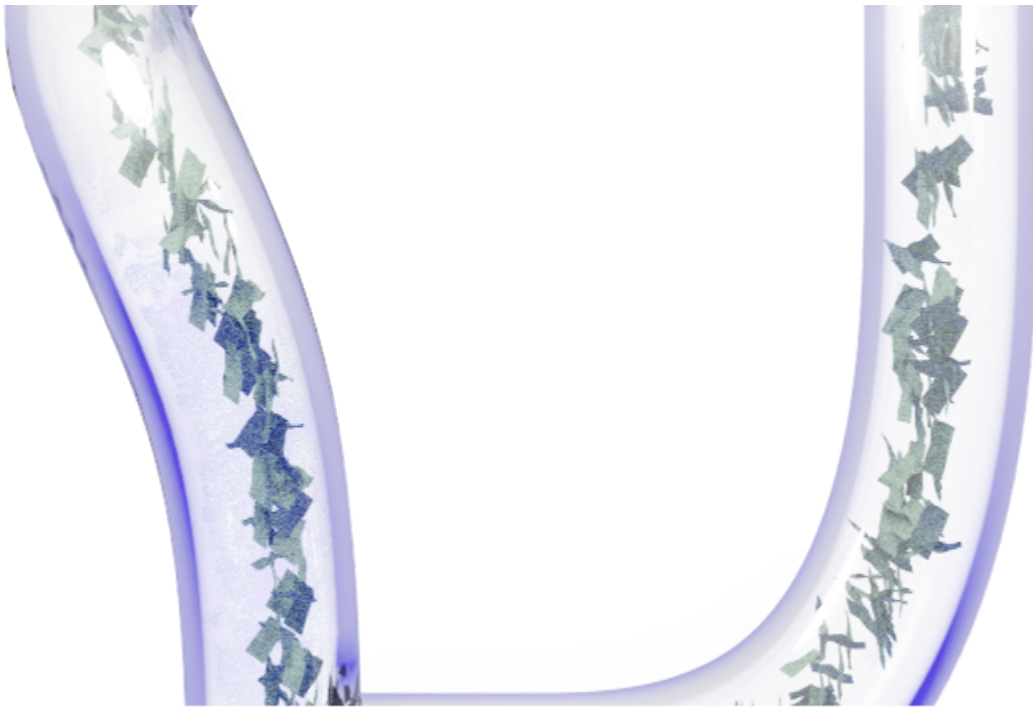
You don't hear us “loud & clear.”

It is fully within Spotify's capability to pay music makers more money. Spotify's "[Loud and Clear \(https://loudandclear.byspotify.com/\)](https://loudandclear.byspotify.com/)" site attempts to debunk our demands, but doesn't provide any clarity or solutions.

If Spotify is truly committed to helping musicians to “make a living” from music, then they need to reconsider what “making a living” looks like and treat music workers fairly. Pay us 1 cent per stream, and end all sweetheart deals with record labels.

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Spotify and the Streaming Economy

When Spotify was initially set up as a group of several firms, Spotify Sweden AB, one of these companies, had “the official purpose of selling advertising connected to ‘services for distribution of music, film, TV programs, audiobooks, games, and similar content.’”¹ When Spotify began its software development in 2006, this software was initially meant for distributing data while minimizing the cost of digital distribution by using extra bandwidth from the server’s users. Their 2007 patent application reads, “The media may here represent any kind of digital content, such as music, video, digital films, or images.”² However, the company centered on music when they found that video demanded much more bandwidth. Do not let their tech savior narrative obscure these issues with streaming. It is disingenuous for Daniel Ek to claim he started Spotify to “save the music industry.”

¹ “Finding the Files to Distribute.” Spotify Teardown inside the Black Box of Streaming Music, by Maria Eriksson et al., The MIT Press, 2009, pp. 40–42.

² Andreas En et al., “Peer-to-Peer Streaming of Media Content US Patent 8,316,146, filed July 13, 2007, and issued November 20, 2012,

<https://www.google.com/patents/US8316146>

Where Our Labor Goes:

Spotify claims: “[The] global recorded music industry is healthier today than it’s been in a long time. It’s grown more than 40% since 2014, thanks in part to streaming. Streaming represents more than 50% of global recorded music revenue. Spotify is the largest contributor to that revenue.”

In the US, streaming actually accounts for 83% of recorded music revenue.¹(<https://www.riaa.com/wp-content/uploads/2021/02/2020-Year-End-Music-Industry-Revenue-Report.pdf>). A majority of that revenue has gone to major record labels and streaming companies, while musicians are continually devalued. The music industry “growing again” doesn’t measure the health of the industry, and it doesn’t mean musicians are being paid more.

Spotify claims: “Spotify does not pay artists or songwriters directly. They pay rights holders. Artists and songwriters choose their own rights holders and make agreements on their music. In return, Spotify pays rights holders.”

We are asking Spotify to pay rights holders more money, period. We are demanding \$0.01 per stream to the rights holders, no matter who they are. The current payout approximation is \$.0038.

“On average, Spotify pays roughly $\frac{2}{3}$ of every dollar we make from music (premium, and revenue of advertisers on our free tier.)”

According to the most available data, the actual figure is closer to 63%.² (<https://www.musicbusinessworldwide.com/how-should-the-music-streaming-revenue-pie-be-split/>). Grubhub and Seamless are able to take a 13% delivery commission and maintain a profitable business. Spotify continues to claim that it is not profitable, yet takes a 37% cut. If Spotify can't pay artists fairly and operate a company, then they shouldn't operate.

“Spotify pays ~70-75% of this revenue to the Recording side, and ~20-25% to the Publishing side.”

Spotify is in court right now suing to lower the publishing royalty rates.³(<https://www.musicbusinessworldwide.com/songwriters-dealt-blow-in-spotify-royalty-rate-battle-as-streaming-platforms-claim-procedural-victory-in-us-appeals-court/>). Ultimately, the percentage they pay on EITHER side does not increase the amount going to the artist.

“Spotify has paid over 21B Euro (25.1B USD) to rights holders.”

Spotify made \$9.43 billion in 2020. The company is worth \$45 billion.

“Spotify doesn’t have discretion on how royalties are divvied up between rights holders and organizations.”

Spotify does have discretion on what % of their profits they pay to rights holders, and how that rate is calculated. They could pay rights holders more, but they choose not to.

Streaming Numbers in Context

To show how much you've contributed to your favorite artists on Spotify, visit [Spotify Unwrapped](https://www.spotifyunwrapped.org/) (<https://www.spotifyunwrapped.org/>), a collaboration with [Fight for the Future](https://www.fightforthefuture.org/) (<https://www.fightforthefuture.org/>).

How Spotify Is Killing The Music Industry



Your Questions, Answered

If an artist has millions of streams, why don't they earn more?

Is Streaming only helping music's biggest stars?

Would the user-centric model be more fair?

What's next?

To learn more, visit [Justice at Spotify](https://www.unionofmusicians.org/justice-at-spotify) (<https://www.unionofmusicians.org/justice-at-spotify>) on [unionofmusicians.org](https://www.unionofmusicians.org) (<https://www.unionofmusicians.org/>), or check out our [list of resources](https://www.unionofmusicians.org/streaming-resources) (<https://www.unionofmusicians.org/streaming-resources>).

Sign up for UMAW updates here:

First Name *

Last Name *

Email *

Artist Name

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Mobile Number, (201) 555-0123

Zip/Postal Code *

What labor issues would you like UMAW to take on?

JOIN US



[\(https://unionofmusicians.org/\)](https://unionofmusicians.org/)

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