

ALBUM PAY SPLAINER

Q: How much money can I expect to make from my album?

A: It's best to have no expectations, and not to rely on this money; it's unpredictable at best.

Q: But, seriously, I assume it's decent money.

A: There is no way to predict how many tracks, if any, will be programmed, and how often they will be played. There are a lot of assumptions and misinformation, like if you tweet a channel a lot, or buy someone gifts it means more plays. This is incorrect.

INFO ON HOW IT ALL BREAKS DOWN

1. If albums/track(s) are played, the number of plays vary month to month, and slowly go down over time.
2. Artists are programmed into categories, and then the computer program figures out how often each track is played.
3. It is generally understood that tracks are programmed into 1 of 3 categories, (in terms of priority). The top category gets the most spins, etc...
4. It's unlikely that your full album will get programmed; on average, you're looking at 3-6 tracks.
5. Depending on frequency of spins, you may make money that ranges from \$100 to \$3,000 a month. But, if you have a big month, don't get used to it! Plays ebb and flow every month, and sometimes have big changes.
6. If you're on a compilation album, it depends on how often they are played, and perhaps what category your specific track is put into.

ROYALTY PAYOUT AND SPLIT (RECORDING/ON RADIO)

From what we understand, comedy pays out a higher royalty rate (@ \$48 per play) than a music recording, (@ about \$6 - \$16 per play).

Royalties on the recording of your comedy are broken down equally into two (2) categories:

- Artist
- Rights Owner

The comedian(s) always get ALL of the ARTIST category.

So, the split for a spoken word comedy recording would be \$24 to the ARTIST and \$24 to the RIGHTS OWNER.

Many labels (JFL, Comedy Here Often, 800 lb Gorilla) may keep all of the RIGHTS OWNER royalties.

This is a conversation you can have with your agent, or directly with the label. The portion of the RIGHTS OWNER royalties, (whether it be all of it, or a share of it), typically go towards the label's overhead, production expenses, and promotional expenses to get your album out there.

You might consider that if a label is keeping all of the RIGHTS OWNER royalties to cover production expenses, perhaps payment for your live performance during the recording can be included as an expenditure.

As far as we know, Comedy Records and Howl & Roar Records split the RIGHTS OWNER royalties with comedians.

Howl & Roar Records splits the RIGHTS OWNER royalties 50/50.

Some labels have comedians signed and managed, other labels just distribute the albums.

You can publish/distribute your own albums through online services like Tunecore and other music/spoken word publishing services, (i.e. be your own label). There are fees to use the services, but in many instances, the comedian gets the ARTIST royalties as well as the RIGHTS OWNER royalties.

There is also money you can make from the sale of your albums/tracks (e.g. iTunes) or the streams of your albums/tracks (e.g. spotify). But, honestly, breaking down the \$.004 avg. per stream isn't worth it.

LITERARY WORKS (ROYALTIES ON YOUR WRITING THAT'S FEATURED ON RECORDINGS)

There is also a more recent undertaking to collect royalties on the LITERARY WORKS, or writing, that is featured on the recording of your comedy, which is completely separate, and applies to not just radio, but all recordings in which your comedy writing is used.

Word Collections, and Spoken Giants are two agencies that are working to collect these royalties and distribute them to comedy writers.

Spoken Giants is partly owned by the record label, 800 lb Gorilla. Word Collections is not affiliated with a label.

CANCOM has a non-exclusive arrangement with Word Collections that Members will pay a reduced fee for their services, (12% commission, instead of 15%). Plus, Word Collections has made a commitment to invest 2% of their profit from working with CANCOM Members into funding new content from Canadian comedians.

There's not much precedent for collecting royalties on LITERARY WORKS for spoken word (comedy). But, in 2022 Spotify was told it will be required to pay 15.1% (up from 10.5%) to songwriters, which bodes well for comedy writers in the future.

In 2021, when Spoken Giants approached the likes of Sirius XM, Pandora, and Spotify to start negotiating royalties on LITERARY WORKS there was an unprecedented “Take Down” of comedy, much of which is still in play today. This disruption has apparently affected Canadian comedy recording artists who aren’t even involved in any lawsuits, but are represented by Spoken Giants or 800 lb Gorilla.

Word Collections contacted Pandora in 2020 to negotiate a licensing agreement for various copyright owners of LITERARY WORKS and after efforts to reach a deal failed, they filed a lawsuit seeking a cumulative total of \$41.55 million (not a class action suit).

Pandora (owned by SiriusXM) has countersued, accusing the counter-defendants (comedians, estates of comedians, Word Collections) of being a “comedy cartel” and engaging in anticompetitive conduct (price fixing, attempting to monopolize, conspiracy).

There are risks that need to be considered when pursuing LITERARY WORKS royalties. Start by understanding that you automatically have a copyright on your comedy writing on any recording of it. What you decide to do with this copyright should be up to you.

Consider getting legal advice before assigning your copyright to a collections agency, and have conversations with your label, (if you’re not independent), about what they’re doing about LITERARY WORKS. It’s best if you understand the risks before signing or agreeing to have someone else pursue royalties of this kind on your behalf.

For more information on CANCOM's non-exclusive collaboration with Word Collections:

<https://www.cancomedy.ca/literary-works-royalty-payments/>