



**cdbaby™** Presents

# MUSIC PUBLISHING 101

*Making the most money from your original music*

# Music Publishing 101

## Making the Most Money from Your Original Music

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Whether you're a songwriter, composer, producer, lyricist, or band member, if you help to create new, original songs, you are owed money whenever that song is:

- Streamed
- Purchased
- Covered
- Played on the radio
- Performed in public
- Heard on YouTube
- Sampled
- Sold as sheet music
- Or used as the soundtrack to a movie, tv show, commercial, video game, social video, or presentation

For the purposes of understanding publishing, we'll say that if you help create original music or lyrics, you are a "songwriter."

As a songwriter today, you have more opportunities than ever to make significant income from your songs. Music publishing plays a larger role in that equation, but it's also one of the least understood aspects of the music industry.

Access doesn't equal understanding; and just because an independent songwriter CAN make money from publishing these days doesn't mean they know HOW to do it. That's where CD Baby's *Music Publishing 101* comes in!

In this guide we'll outline the basics and clarify a few of the more confusing aspects of music publishing. **So let's get started!**

### What is music publishing?

"Music publishing is the owning and exploiting of songs in the form of musical copyrights."

– Randall Wixen, *The Plain and Simple Guide to Music Publishing*

In most aspects of life, "exploitation" is a bad thing, but in the music industry, exploiting musical copyright is very, very good! It means that the owner of a particular composition (the music and the lyrics) is

putting that song to use in a way that generates money in the form of:

- Mechanical royalties
- Performance royalties
- Licenses for synchronization
- Licenses for sampling
- And print rights for sheet music

**Fun Fact:** Speaking of sheet music, that's exactly how this whole business first came to be called music publishing – because back before the advent of recording and radio, publishing sheet music was one of the only ways to earn money from a musical copyright.

## So what is a musical copyright anyway?

Copyright is a designation of intellectual property similar to a patent or trademark. Once an original composition has been fixed in a medium from which it can be reproduced (having either been recorded or written down in some fashion), the composer is granted exclusive rights to that piece of music, including:

- The right to reproduce the song
- The right to distribute the song
- The right to perform the song
- The right to create derivative works

One of the keys to music publishing is the fact that every recorded piece of music has two separate copyrights (which are not always owned or exploited by the same persons or parties).

**These two separate copyrights are:**

### 1. THE COMPOSITION ITSELF:

A song's music and lyrics, apart from any particular recording of that composition.

This copyright is owned by the songwriter and/or publisher.

## 2. THE SOUND RECORDING:

A particular recorded version of a musical composition. This copyright is owned by the recording artist and/or label.

Music publishing involves the exploitation of the first of those forms of copyright.

### Who owns your publishing rights and how does the money get split?

If you're a songwriter who has NOT signed a deal with a publisher, **you own your publishing rights**. You are considered both the songwriter AND the publisher. **You are owed both shares (50% for the songwriter, and 50% for the publisher) of any mechanical royalties, performance royalties, or licenses that your songs generate.** However, it's up to you to exploit the copyright to your compositions, and it's up to you to collect the royalty payments.

The second part of that equation is decidedly easier than the first, so it is often beneficial to work with an established music publisher who can (either for an extended period of time or in perpetuity) help you expand opportunities to earn money from your songs.

What does the publisher get out of the bargain? As mentioned above, a typical royalty split between the songwriter and the publisher is 50/50 – but 50% is a small price to pay if they're using their publishing expertise to generate big income from the exploitation of your copyright.

### Where does the money come from in music publishing?

Ever wonder why the main songwriter in one of those megastar bands from the 70's could afford three mansions when the other guys in the band could only buy one house? Well, music publishing has the potential to generate big money for songwriters. Here's how:

**Mechanical Royalties** – As a songwriter/publisher, you are owed a royalty every time your composition is “reproduced,” either in a physical format such as CDs or vinyl, or in a digital format such as an MP3 download or a stream. Since streaming has become the dominant mode of music consumption, it's important to understand that EVERY stream – worldwide – is generating a mechanical royalty, but that revenue is not paid to you automatically. You need a publisher or publishing rights administrator to go get it for you!

For physical CD/vinyl sales, the mechanical royalty for one song is generally equal to 9.1 cents per reproduced copy. (Regardless of whether those albums or singles are sold.) The royalty rate is the same for download sales.

You are owed a mechanical royalty whether another artist is covering your song or you're recording it yourself. (Though if you're acting as your own label, you'll basically be paying that royalty to yourself.)

**Performance Royalties** – As a songwriter/ publisher, you are owed a royalty whenever your compositions are performed “in public.” This includes:

- Plays on terrestrial and satellite radio (Sirius, KEXP, etc.)
- Usage on network and cable TV
- Plays on internet radio
- Non-interactive streams through services like Pandora
- Performance in live venues

**Licenses for Synchronization** – When a recording is used as the soundtrack for a TV show, movie, commercial, video game, presentation, or YouTube video, a fee is owed to the songwriter, the publisher, AND the copyright owner of the master recording. In industry-speak we say that a recording is “synced” with a moving image, thus the term sync licensing!

If you own both the sound recording and the composition, you have an advantage in the world of sync licensing.

Music supervisors want to move quickly to secure rights, and you’re in a position to grant both permissions at once. So make sure your songs are included in CD Baby’s Sync Licensing program. (Which is included with all our distribution packages.)

**Licenses for Sampling** – Both copyright holders (the owner of the master recording and the owner of the composition) are owed money when another artist uses a sample from a one of your recorded songs.

**Print Rights for Sheet Music** – As the songwriter/publisher, you are paid whenever your composition is duplicated in print form, including sheet music, lead sheets, fake books, etc.

## What is a Performing Rights Organization?

Performance royalties are paid by radio stations, venues, and TV networks to Performing Rights Organizations (PROs) such as ASCAP, BMI, SESAC, or SOCAN, who then distribute the money to their affiliated songwriters and publishers.

## ASCAP and BMI are not enough

Many songwriters affiliate themselves with PROs like ASCAP or BMI and think they’re set up to collect all their publishing royalties. But Performing Rights Organizations, at least in the US, are only authorized to collect performance royalties.

Without a publisher or publishing rights administrator, you're letting your mechanical royalties go uncollected.

Also, another common mistake is that songwriters affiliate themselves with a PRO, but ONLY as a songwriter. If you don't register with your PRO as a publisher as well, you might be leaving 50% of your performance royalties on the table.

CD Baby Pro Publishing makes all this simple.

We'll affiliate you as a songwriter with a PRO of your choosing, make sure you're set up to collect the publisher's share of performance royalties, register all your songs with collection societies around the world, **AND** collect **ALL** publishing royalties globally, including mechanical royalties from streaming.

## CD Baby Pro outside the U.S.

We currently offer Pro in over 80 territories. If you live in one of those countries, you are eligible for CD Baby Pro.

If you're in Canada, we can help you get affiliated as a songwriter with SOCAN. The other PROs require songwriters apply directly. If you're in any other country on the list above, you'll need to affiliate with your local PRO before you sign up for CD Baby Pro. To do this, you'll need to head to the website of your country or territory's PRO and select the option to join the organization. There might be organizations that will require you to do that process in person. Please check the list of entities and visit their website for details on how to complete that process. Once you're affiliated, you can log into your CD Baby account and create a Pro submission.

## What are the benefits of using Pro outside the U.S.?

Even if you are already affiliated with an international PRO and its corresponding mechanical agency, and are collecting your royalties from them, Pro is still beneficial. Instead of the "reciprocal agreement" the PROs have with each other to pay royalties earned in other countries, our publishing administration service collects directly from each organization. This results in faster and often more comprehensive payments than what you would receive collecting publishing royalties by relying solely on your local PRO.

## Want help collecting the publishing money you are owed?

As you can see, there's a lot to understand about music publishing. This guide merely skims the surface, but one thing should be clear: there's serious money to be earned from your songs.

### CD Baby wants to make sure you're getting paid **everything** you're owed.

Sign up for CD Baby Pro Publishing to distribute your music worldwide **AND** make the most money from your songs.

#### How It Works:

1. We'll affiliate you with a Performing Rights Organization, if you aren't already.
2. We'll register your songs worldwide with Performance Rights Organizations, Mechanical Rights Organizations, YouTube, **and more**.
3. We'll collect royalties on your behalf and pay them **directly to you!**

Sign up at [cdbaby.com/publishing](https://cdbaby.com/publishing)

