



Wednesday, February 2, 2022

Music Workers Alliance
500C Grand St E
New York, NY 10002

The Honorable Nydia Velázquez
House Small Business Committee
U.S. House of Representatives
Washington, DC 20515

Dear Representative Velázquez,

Thank you for considering this testimony on behalf of the Music Worker's Alliance. We are a Music Worker center created with the shared purpose to empower music workers by engaging in collective action to create a community where music is valued financially and culturally, and music workers benefit and achieve dignity in our lives.

A Dire Picture for Music Workers, Who Received No Dedicated Relief Funds Outside of Pandemic Unemployment

In October of 2020, the [MWA How Are We Surviving Survey](#) asked music workers how the pandemic and subsequent shut downs had affected their livelihood. We have highlighted the top findings from our report below:

1. Nearly three quarters of musicians and DJs surveyed had lost more than 75% of their income during the pandemic.
2. Overall, more than \$8.5M was estimated as reported lost by 213 of the survey respondents between March and October 2020. This was consistent with the national [Artist Relief](#) survey which estimated artists had lost on average about \$30,000 each due to the pandemic in 2020
3. Formerly working musicians and DJs were facing significant precarity even while receiving unemployment. 33% had depleted their savings, 33% were considering finding new jobs in other fields, and 15% had to move to save money
4. Many noted that they did not receive the correct right amount from unemployment, because they were either mixed income workers or received income from multiple states
5. While much was made of PPP Loans being made to individual artists, only 11% of responding artists received them, though more than twice that attempted to access the

benefit. This is consistent with the finding from a [ExtendPUA](#) report that only 9% of their constituents benefitted from PPP.

6. A small minority of musicians and DJs are working during the pandemic and when they do it is often for free or for less than they would have before the pandemic. Less than 20% of musicians and DJs were active with livestream and online performances, and only 10% were performing live in a significant way. Most musicians and DJs were forced to play for free or were underpaid for online / livestream performances

We urge Congress to extend Unemployment Insurance to the millions of Americans that work primarily as independent contractors. Many music workers function primarily as 1099 workers or have mixed income, and like all independent contracts, they pay into the unemployment system yet receive no benefits with the expiration of Pandemic Unemployment Assistance.

Declining Recorded Music Revenues Offer No Safety Net

Due to the devaluation of recorded music and abhorrently low payment structure from streaming services, most music workers work primarily through live performances to earn a living. There was no viable safety net when the pandemic hit, and there was no option but to try and go back to unsafe working conditions when Pandemic Unemployment Assistance ran out.

The dire situation musicians find themselves in relying on live performances cannot be overstated. The recording and streaming industry, while theoretically an alternative means of income for music workers, is currently structured to devalue the work of independent recording artists. Studio recordings can cost thousands of dollars to create, often indebting the recording artist in the process. The most popular music streaming platform, Spotify, touts infamously low payouts at \$0.0038/stream payments, a rate that requires millions of streams to even recoup the investments artists make in their recordings. YouTube is the largest streaming platform in the world, has exploited gaps in current copyright law, hosting entire albums of copyrighted material against the will of the creators with no penalization.

Weakened Copyright Protections in the Digital Space Hurts Artists

This current environment is a clear failure to meet the object of copyright to serve as the engine of free expression by sustaining investment in cultural production and the ability of creators to survive from their craft. This situation is outlined in an exhaustive study by the United States Copyright Office released in 2020 in which stated *“the scale of online copyright infringement and the lack of effectiveness of section 512 notices to address th[e] situation remain significant problems ... to the many other creators who have seen their livelihoods impacted drastically by ongoing infringement of their works online and for which they can achieve no relief.”*

On one hand, live performances are not safe for the performers and are risky investments given potential cancellations, on the other music workers are bullied by big tech platforms that control the recording and streaming market.

Bailing Out Venues and Relying on the Trickle Down Effect Doesn't Help Music Workers

We would like to recognize the historic investment in arts and culture that was the Save our Stages Act and Shuttered Venue Operators Grants. The approximately \$15B invested are levels not seen since the New Deal and WPA. However, while many of these venues are critical to the lifeblood of music workers as valued performance spaces, there was a grave oversight by not making any funding contingent on paying performance fees when touring and performances began again.

Venues without performances are not economic generators, they are simply empty real-estate. There were not thousands of people lining up to see the inside of Radio City Music Hall or the Ryman Theatre while touring stopped. By not accounting for the artists that fill the stages, there was a failure to recognize the labor force that drives the economic activity these venues provide to their community.

This program still has value, for the present and future. Music Worker Alliance asks that any future distribution of SVOG funds or similar funds directed towards performing arts venues have artist payment as contingent to use of the funds. At a minimum, we ask that 25% of funding received by performance venues should be allocated towards performance fees. In 2020, the Tulsa Office of Film, Music, Arts & Culture created the **Play Tulsa Music Program** using CARES Act funding. This program distributed grants to music venues with the condition that 50% of the funds be used for performance fees. Additionally, the program gave guidelines on the amount to pay musicians based on the group size. Using these guidelines, a program at the federal level would be hugely impactful at not only subsidizing Artist fees like many European nations, but also help alleviate costs to venues as they continue to re-open and allow secondary, tertiary and rural markets to attract performing artists that previously could have been out of budget.

Artists Are Unfairly Bearing the Risk of Covid Cancellations

Today in January 2022, over six months after the distributions of SVOG funds began, canceled performances are once again rampant and performing artists are left to inherit the costs of touring (travel, transportation, lodging, salaries, etc) with no compensation from performance venues. Similarly, for those concerts that do take place, ticket sales have suffered and in many cases, the performance fees once expected have diminished. This unevenly affects the artists as any losses taken by the venue can be subsidized by the SVOG funds while losses suffered by artists go against their bottom lines.

Put Music Workers Back To Work Equitably

Music and Arts workers desperately need access to capital financing similar to what is available to other small businesses across the country. Without this, music and arts workers are often forced to sacrifice ownership and control of their intellectual property rights, and with them, potential future profits and wealth, in order to get financing. **New York City Artist Corps** program rolled out in the summer of 2021, gave performing artists easily accessible \$5,000 grants, which allowed individuals to finance performances, and hire other artists in order to execute these performances. The **Creative Economy Revitalization Act (HR 5019)** has mechanisms that would allow for a similar program to be instituted nationally. Music and arts

workers are not only the drivers of the sector, they are often the biggest job creators in their sector as well, however they are never recognized as the small businesses that many of them are.

Strengthen Support and Safety Nets for Music Workers

We urge you to pass all existing legislation for relief and recovery for the Arts & Culture sector, and create a Department and Secretary of Arts & Culture to represent this vital sector of the U.S. economy. In doing so, you will demonstrate your commitment to improving the lives of all Americans, the vitality of American businesses, and the revitalization of the entire American economy. The following legislation specifically affects music workers and we are a labor force that deserves a debate and vote on the house floor: **Protect Working Musicians Act (HR 5713)**, **American Music Fairness Act (HR 4130)**, the **Performing Artist Parity Act (H.R.4750)** and the **Creative Economy Revitalization Act (HR 5019)**.

Sincerely,

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