

Sectoral perspectives: Music and museums

Music

The music ecosystem

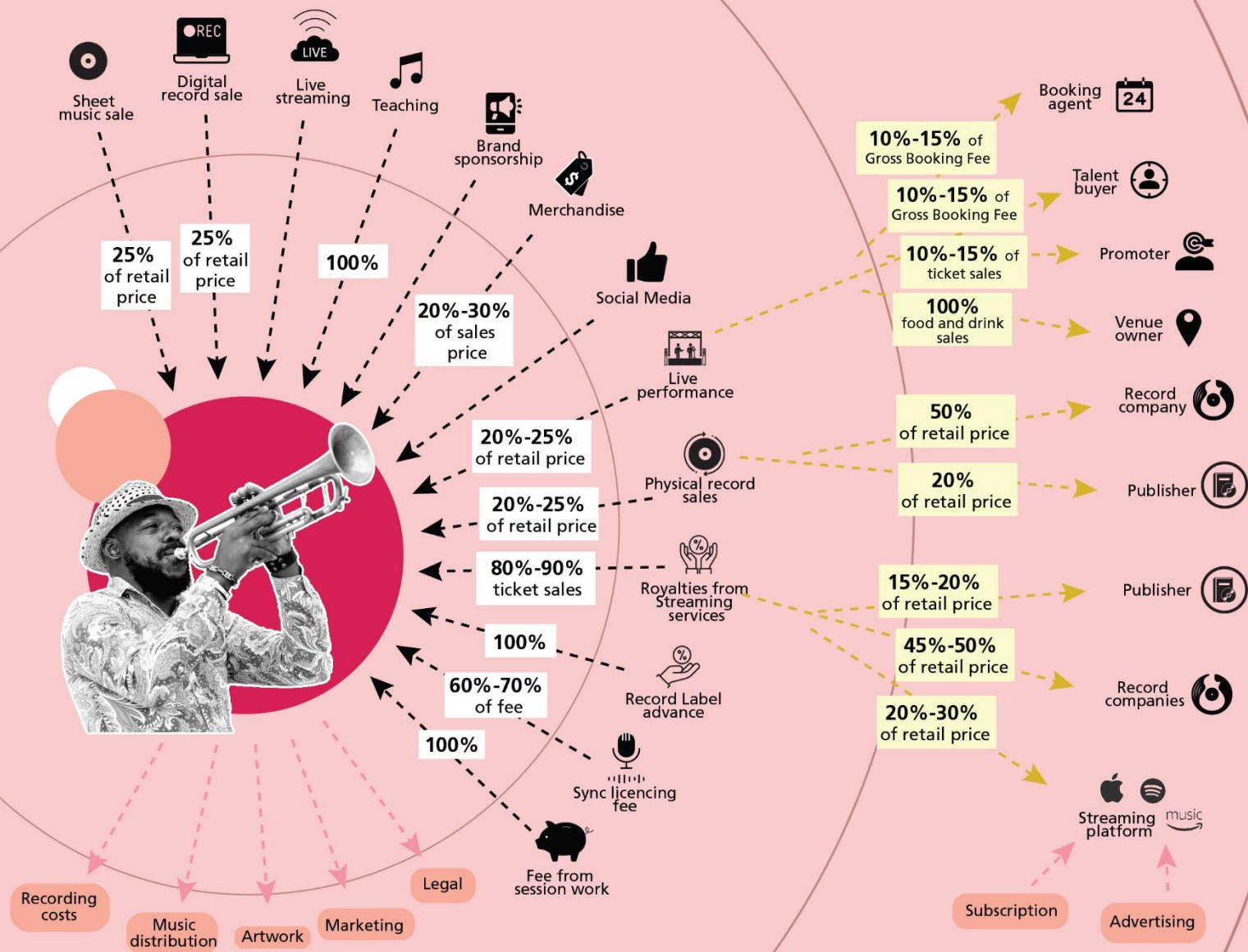
The music ecosystem is very broad, encompassing the creators (musicians, composers, conductors, songwriters etc.), managers, record companies, music publishers and collecting societies. It also encompasses all those related to the dissemination of music (e.g. radio stations, music stores, online platforms, the live events sector) as well as those involved in the manufacture of music instruments, music technology and merchandise. The music ecosystem also supports other forms of cultural and creative content production, for example through licencing rights to film, advertising and video games, and by employing photographers, designers and marketing experts. Its economic footprint, including at city level, is significant. It generates economic value and job creation throughout value and supply chains, as well as encouraging tourism and contributing to the cultural vibrancy of places.

The infographics presented in this section provide a snapshot of the music ecosystem; job profiles, revenue streams and production chains, highlighting how music creates jobs and revenues both in the music industry itself and in other sectors. Every single deal in the music industry is different and every album will involve a different set of people. The data in these infographics offer a simplified picture of just some of the activities, actors, jobs and revenue streams present in the music ecosystem. The music economy boasts over 40 different revenue streams for rights holders and with those, supports a long tail supply chain which includes services to support the production of live music, through to film and television synchronisation and ancillary rights utilisation, such as gaming or non-fungible tokens (NFTs).

The impact of COVID-19 on the value chain, jobs and revenue streams for musicians

While parts of the sector were significantly impacted by the COVID-19 pandemic, the recorded music industry continues to grow. The cancellation of music events such as festivals, tours, and concerts implies a loss of revenue from ticket and merchandise sales, as well as a decrease in sponsorships. The shutdown does not only affect music artists, but also ancillary workers that build, manage, and operate live music venues. Such jobs range from those in charge of lighting, sound engineering, maintenance, and security to promoters, managers, and agents co-ordinating concerts, tours, and ticket sales. Consequently, in the early stages of the pandemic, a large number of individuals lost their jobs, with many shifting into work in other industries. However, revenues from recorded music increased during the pandemic period, growing by 7.5% between 2019-2020 and by 18.5% between 2020-2021 (IFPI, 2022^[1]). The pandemic also accelerated trends towards music streaming and prompted experimentation with live streaming. The streaming music sector grew significantly during the pandemic, rising from 11.4% of the global recorded music market in 2019 to 16.9% in 2021 (IFPI, 2022^[1]). Moreover, industry leaders began experimenting with live streaming events to make up for the loss in live ticket sales. This is still in its early stages and likely to shift into a hybrid model of live performance ticketing and live streaming ticketing, opening up the potential for extended revenues from a single event.

MUSIC REVENUES STREAMS



Note: There is no standard rate in the music industry for any of these activities. The data in this infographic presents an approximation of one potential scenario. A typical musician would only benefit from few of presented revenue streams. The proportional revenue allocations can vary significantly depending on the genre of music, the country the deal is done in, who is involved and other external factors

VALUE CHAIN AND JOB ROLES

CREATION



Song writing
Artists
Song writers

**Song development/
rehearsals**
Artists
Song writers
Musicians



PRODUCTION

Song recording
Artists
Recording engineers
Session musicians
Record label
Manager

**Song mixing & mastering
producers**

Cover art creation
Graphic designers
Photographers

Publisher
Legal team
Artists & repertoire
Copyright administration
Mechanicals team
Royalties team
Licensing/sync team

DESSIMINATION



Online Streaming
Streaming service providers (e.g.
Spotify, YouTube etc)
Legal team
Accounting team

**Curated play lists (e.g. radio and
online playlists)**
Streaming service providers (e.g.
Spotify, YouTube etc)
DJs

Online live performance
Live streaming platforms (e.g.
Twitch, Instagram, YouTube)
Sponsors

Live performance
Artists
Musicians
Sound and lighting technicians
Dancers
Set designers
Booking agents
Promoters
Venue owners

**Use in TV, film, advertising
Film and TV production companies**
Advertising executives
Legal team

Physical records
Record shops
CD/vinyl manufacturing and pressing
companies

Museums

The museums ecosystem

In addition to their core function – heritage preservation – museums bring significant economic and social impacts, being at the heart of urban and rural regeneration efforts, acting as cornerstones of visitor economy as well as community anchor institutions (see more on the local development impacts of museums in the OECD-ICOM Guide for Local Governments, Communities and Museums (OECD/ICOM, 2019^[2]).

Museums are very diverse ranging from public museums of national and international importance to small privately owned museums. Their funding models vary depending on their status and national policy frameworks and traditions (e.g., US museums largely rely on private funding through donations, European museums are substantially government-funded). Museums support a wide variety of jobs both through direct employment (for example, curators, security and maintenance staff) and through the hiring of contractors and freelance workers for specific exhibitions (for example, artists, technicians and transportation specialists). In addition, the economic impact of museums is also typically measured by the number of visitors, the amount of their local expenditures, revenue generated through ticket sales, purchases from a wider supply chain and the impact of employees spending their wages locally.

These infographics highlight the diversity of jobs in the museum ecosystem and ballpark funding and expense structures of publically funded museums. They show just one potential model of how museums can create jobs throughout the value chain and the potential revenue structures underpinning such work. With some approximation, these infographics show the funding and expenses structure of a medium-size publically funded museum in Europe.

The impact of COVID-19 on the value chain, jobs and revenue streams for museums

Public funding typically covers most of, but often not all, staff and maintenance costs. Earned income is important to cover new activities and remaining staff and maintenance costs. The drop of ticketing and other revenues during the lock-down periods resulted in reduced wages and lay-offs of temporary staff, external freelancers and service providers through the production chain. Many of these have moved to other sectors and many museums had to face skills shortages at the restart of activities. Museums also had to suspend or reduce their volunteer programmes and face a scarcity of volunteer labour in the recovery. The drop in revenues has also translated into many renovation projects being put on hold, no investment into new production (e.g. exhibitions) and suspension of engagement in many local development project. At the same time, many museums have increased their digital offer, expanding their local and international audiences which might translate into new revenues in the recovery.

The crisis has exacerbated the pre-existing challenges as many museums have been operating on the margin of financial sustainability due to gradual reductions of public funding in some countries, increasing maintenance costs etc. To address this, prior to the crisis many museums have been diversifying their funding sources by attracting private sponsors, donations, and participation in publically funded projects. While this has helped to keep and expand some of the activities, it remained difficult to attract additional funding for core but less visible activities such as active collection care. To build the sector's resilience in the future, depending on countries contexts, issues need to be addressed in countries' policy frameworks related to donations, sponsorships, as well as longer term planning and stability of public funding.

MUSEUM FUNDING AND COSTS



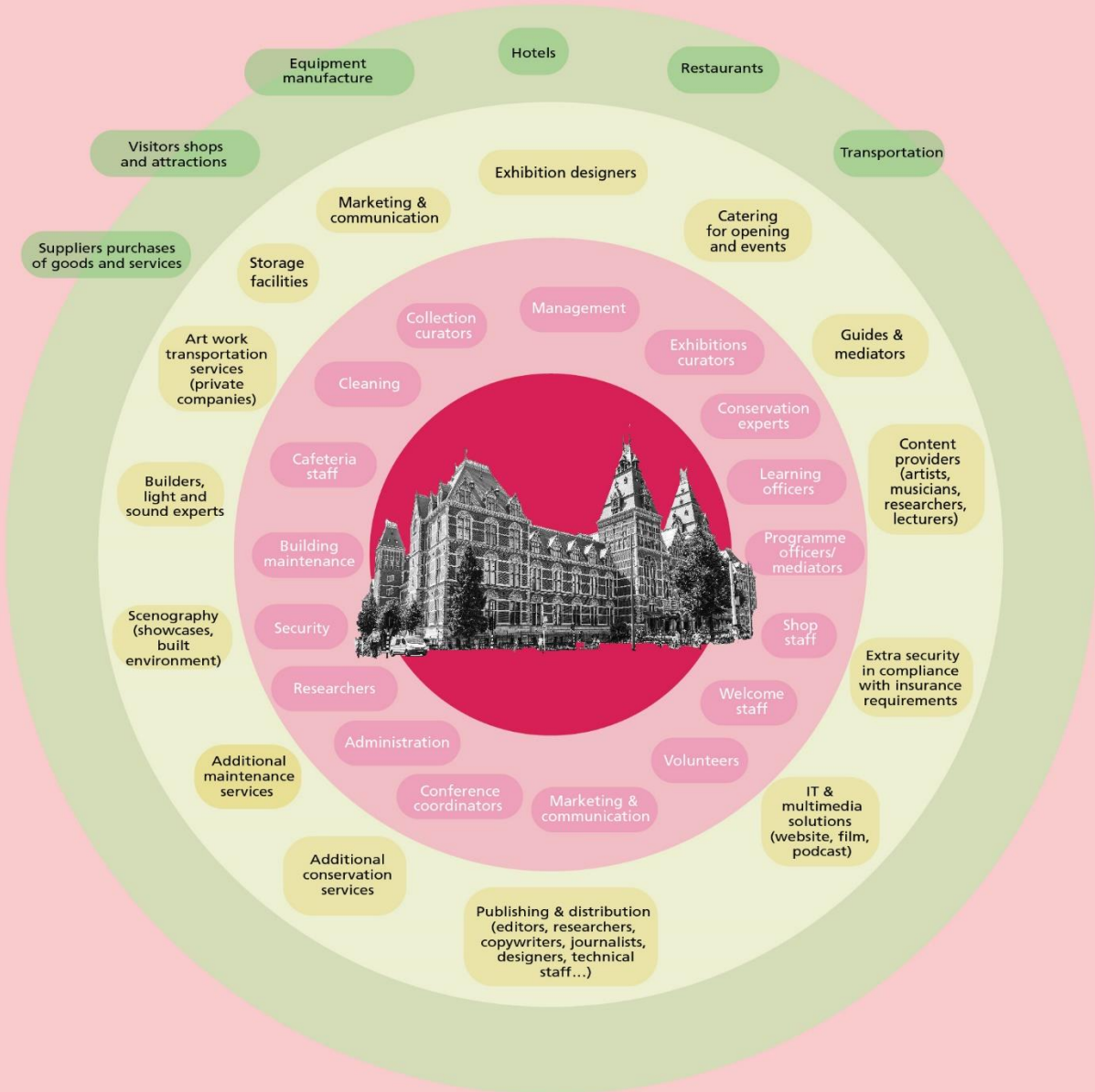
Jobs in the museum



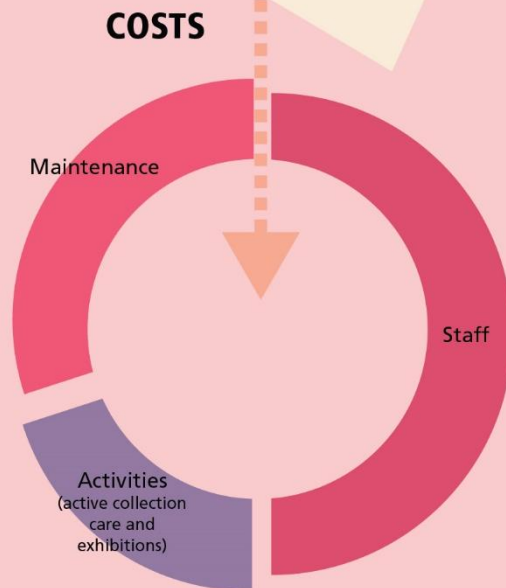
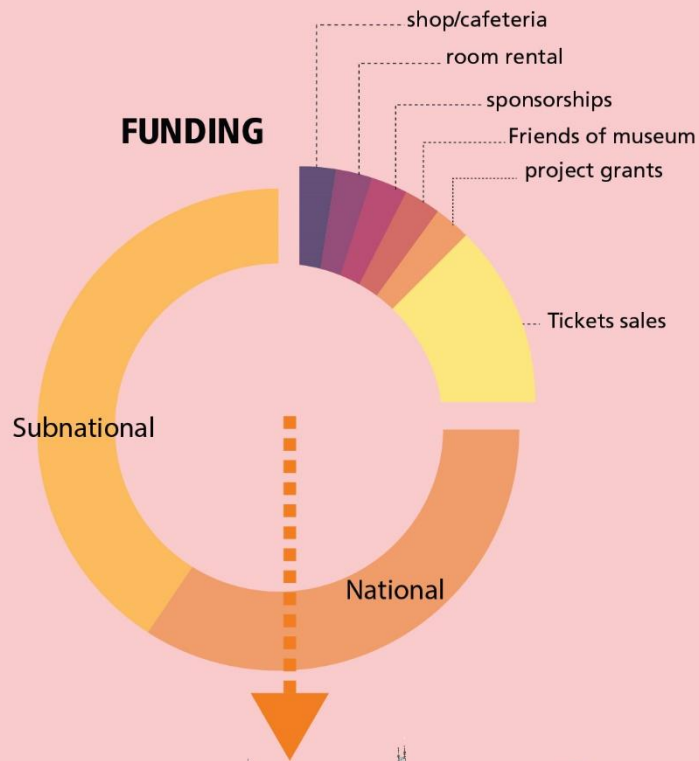
Jobs procured by an exhibition



Jobs supported in the wider economy

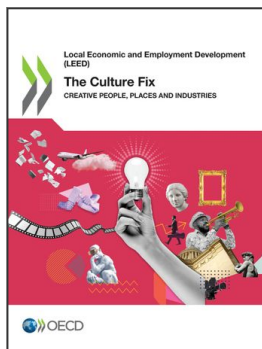


MUSEUM FUNDING AND COSTS



References

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- OECD/ICOM (2019), "Culture and local development: maximising the impact: A guide for local governments, communities and museums", *OECD Local Economic and Employment Development (LEED) Papers*, No. 2019/07, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9a855be5-en>. [2]



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