

The Sad Journey of the **LONG GOODBYE**

fact:
*Increasing prices in a market of declining demand
is a classic formula for failure.*

That's why what's happening in the music industry is so, well, dumb.

As an example I give you the **United States Post Office**. We love the post office, mail is one of the traditional pleasures between friends and a powerful part of business enterprises. The demand for mail services has been in decline for years. They keep raising the price of postage which makes the demand for the service descend even more. People would rather email notes to each other for free, send PDFs of documents through the Internet for free instead of paying the ever increasing price of postage. The age of a handwritten thank you notes has surrendered to the ease of a phone text.



Frankly, the Postal Service really blew it with this email thing. I would gladly pay for a subscription to an email service that guaranteed no spam with a Dropbox feature and I think it would have served them well to jump on that digital train early. Anyway, the explosion of the Internet and the use of smart phones has made the art of the handwritten note nearly obsolete and the need for a postage stamp a thing of the past.

The brilliance of corporate leaders has underwhelmed me for years, not that I'm an Einstein, by any means. Look at newspapers. Readership and ad revenue has been plummeting, over 1,000 newspapers have closed down the last ten years alone because of sagging readership ... caused by the internet. And what do they do to fix it? Like our friends at the Post Office, raise the price of newspapers and subscriptions, of course.

Stupid. Your customers don't want what you are doing so let's raise prices and make them want it even less. It's like they are begging for failure. This mindset also the current state of the music business as we know it, it's just no one is admitting it.



Here's what musicians are dealing with: the traditional forms of income: CD sales, songwriter royalties, airplay royalties ... have been squashed and crushed by, yes, the internet.

It has become even more frustrating because of the ever increasing corporate control of music. As the market declines corporations purchase an ever increasing control of what's left.

In The Beginning

To understand what is happening now we have to remember how it all started.

Up until 100 years ago all music, songs ... just vibrating air ... used to be free. It was played by anyone who cared to pick an instrument and sing. It was played on the greatest stage in the world, your front porches and living room couches. The audience was your family and neighbors.

Then we figured out how to capture vibrating air on round black things with a hole in the middle and the music business was born.

We had a good long run when companies figured out how to sell vibrating air on vinyl. That started the decline of your own vibrating air on your front porch with your neighbors as we surrendered to the marketing system of the business. We had a

good long run when rights organizations like BMI, ASCAP and SESAC ... good groups with good intentions run by good people ... were formed and lobbied congress to create laws protecting vibrating air on behalf of the people who created the vibrating air. We had a good long run when the music business created the star system that separated your vibrating air from those “truly qualified to vibrate air” because they are good and you are not.

We even produced big award shows to give little statues to the “qualified” vibrators of air. That separates them from your front porch even more.

For a while, nearly 100 years, this new system of owning and marketing vibrating air worked well, provided for artists, put kids in colleges, bought groceries and cars, and made millions if not billions of dollars for corporations and record labels.

Then the inevitable happened. Music has become a disposable commodity. It's free again. The business of music has collapsed. The digital age reared its head, audience rebelled and the internet turned the clock back 100 years.

Pete Seeger wisely said folk music should not become a business. Specifically, this is what he said:

"What's good about folk music is that it should not be show business."

Unless you are an artist that can put 1000 wallets into the seats of a theatre, you would do well to heed the warning to escape ... run ... from the old school business models. They do not work and they will not help you.

Start being very honest about what is happening and respond like an artist, focus on your songs and the audience, not the money. Keep your pig small. Simplify how you are doing things, resist reaching out for the illusion of a golden ring that trade groups and shysters would have you think are out there. They are not there. They do not exist.

Reduce the Size of your Pig

I've written extensively in the past about how the trap of a growing corporate structure, the system I referred to as the "pig," can swallow up all good intentions in the desperate attempt to continue feeding that pig. It is a problem most arts organizations, bands and even households fall into and, eventually, collapse from it.

I encourage you to read the chapter about **The Pig** in *WoodSongs III*, my last book. (page 48)

As the market constricts and becomes squeezed by declining market forces, the enterprises charged with caring for artists and songwriters are doing exactly what the post office is doing to the mail: they're trying to increase fees in a declining market which is going to destroy the market even more. A case in point is something precious to my heart:

I know this sounds dark, and it goes against common thinking, but the current business model of music is based on an archaic system that no longer works.

An online music business blog, DigitalMusicNews.com has an extensive report how government agencies and music corporations are trying to increase songwriter royalties 44%.

Sounds good. Smells good. Not smart. There is a better way of solving the problem than doing that.

To be VERY clear: I want songwriters to make a living. I am a songwriter that wants to make a living and provide for my family. I want my music and art to have value, I want the pride and self-esteem of knowing that I can make a living with my music. I also want to buy more Martin guitars.

That does not change the actual facts of what's really happening to you. And this is a time for truth, not illusion or a corporate sales pitch.

Raising songwriter fees in a declining market when songwriters and musicians can't sell hard product because all the music store chains in America are gone and the public no longer purchases CDs is one of the dumbest things I've seen happen in the music world. It is a corporate controlled way of assuming more ownership of a declining market at the expense of songwriters because in the end raising prices means songwriters will no longer have the kind of audience they need to survive.

The audience will do to music what they are doing to the post office ... They'll find avenues of getting things for free instead of paying for it. Heck, they've already done it.

Raising songwriter royalties 44% sounds like a good idea, you can hope in your heart it's a good idea. But it is not. It is going to hurt songwriters in the long run and here's why:

The audience will not pay for it. They don't have to.

The facts of a declining music market establishes only one pathway for musicians and songwriters to actually make a living. And that is for the corporate controlled entities charged with taking care of artists to get the heck out of the way so that all artists and songwriters can finally meet their own audiences.

Raising songwriter fees on a smaller financial pie sitting on the corporate music table is not going to help the songwriters. It will insult them even more. And I'm sick and tired of seeing my friends getting a \$.09 royalty check every six months. Honestly, don't even bother mail it because Music and Art have a much greater value than the insult of that tiny check.

The Solution Is Sadly Simple

The fix, the solution is the elimination of venue licensing, convert to artist licensing so that all artists, musicians and songwriters can perform anywhere in North America they please without the hassle of corporate controlled licensing from which they do not receive any royalties whatsoever.

I wrote about this extensively in *Woodsongs III* and I'm going to again make a direct plea to anyone listening, especially those in the music industry: *The quicker you get out of the way of small artists, the faster their audience will grow and the more money you will make in the long run.* But when I see news articles about these idiotic "corporate fixes" the hair goes up on the back of my neck because even though it sounds like a good idea, it's going to hurt my struggling artist friends even more.

The same mentality that thinks raising postage prices when people don't want to use the post office anymore is the exact same mentality raising songwriter royalties in the effort to convince the music world this is going to help them. That's not true. It is not the facts. It is not the pathway to help artists and musicians make a living again.

The only pathway that will work for the average artist with a small audience is for the corporate controlled entities of the music world to get out of the way for musicians to meet that audience. The more audience members you can perform to, the greater your income will be.

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That's it. That's the only thing that is going to help. Increasing your royalties in a non-existent pie is a joke. Unless you are already an established artist with a viable audience, this increase of royalty payments only works in the upper class of the financial world of music. The average musician, the average songwriter, the average guitar slinger will not see a dime. The increase in the songwriter fees will squeeze you out even more so that only the major record labels and heavily financed bands will be able to get on the playlists that supposedly are paying these higher fees.

I know this sounds dark, and it goes against common thinking, but the current business model of music is based on an archaic system that no longer works. And I hate to see my friends sold into an idea that will continue to change them to a business model that will not work.

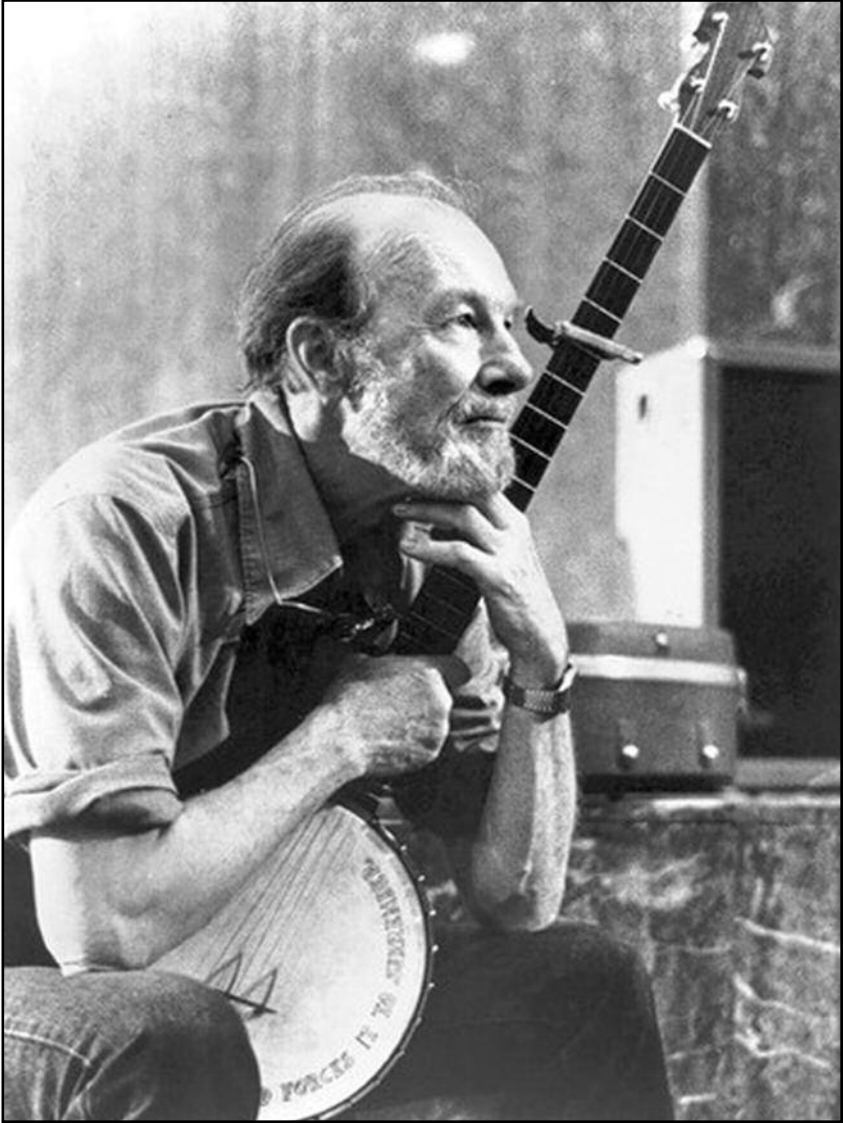
The current business model used in the music world is the equivalent of the rotary phone. It doesn't work anymore. There's no use for it anymore. The market died a long time ago. Hanging on to the rotary phone would be financial suicide for any company.

So why on earth is the music industry hanging onto tired, antiquated, useless business models that are failing? There's no market for it anymore and the corporate entities in the entertainment world keep hanging on to the equivalent of the old-school rotary phone for dear life as if it will somehow come back to reality. It won't. That's the truth we all must deal with.



It's part of the long goodbye of the music business as we once knew it. **My chapter on page 134 of this book** will shed light on the dawn of a new and exciting age for you as a musician and artist ... if we are brave enough to take that step.





"Folk music should not be like show business ... telling me what professional performer is better than some other one. I'm sorry I ever had anything to do with giving such a false impression."

Pete Seeger