



The Evolving Landscape of Artist Management in the Music Industry. *Navigating Financial Realities for Managers and Emerging Artists.*

Artist management has long been a vital component of the music industry, providing guidance, securing opportunities, and overseeing business affairs for artists. However, in today's rapidly changing music landscape, the traditional model of artist management faces significant challenges. In this article, we will explore the evolving nature of artist management in the Australian music industry, focusing on the financial realities for both managers and emerging artists.

Manager Earnings vs. Artist Earnings

One of the primary concerns surrounding artist management revolves around the financial arrangements between managers and artists. While managers typically earn between 15% and 25% of an artist's earnings, this percentage may not adequately compensate managers, particularly when considering the meager earnings artists receive from streaming services. For example, with streaming royalties ranging from \$0.004 to \$0.007 per stream, a manager's percentage is insufficient compared to the time, effort, and resources required to generate those streams.

Streaming platforms have become the primary mode of music consumption, providing artists with a broad reach. However, the financial returns per stream are considerably low. Considering that managers play a pivotal role in overseeing operations, strategizing promotional campaigns, securing playlist placements, and networking to increase an artist's streaming presence, their share of these minimal streaming royalties becomes increasingly inadequate.

Emerging artists face the challenge of building a fan base and generating significant income from alternative revenue streams such as licensing, merchandise sales, and live performances. While managers typically receive a percentage of these earnings as well, the reality is that it takes time for emerging artists to develop a sustainable income from these sources. This poses a financial challenge for managers, as their compensation becomes limited, potentially making artist management financially unsustainable.

Unrealistic Expectations and Communication Gap

Another significant issue in artist management arises from unrealistic expectations and a lack of communication between managers and artists. Artists often have grand aspirations, expecting their managers to secure major record deals, extensive tours, and media exposure. However, the highly competitive nature of the music industry makes it challenging for managers to meet these lofty expectations.

Furthermore, the financial pressures faced by managers may force them to take on additional work outside of artist management. This divided attention leaves artists feeling neglected and can strain the manager-artist relationship. The unrealistic expectations, coupled with a lack of communication and financial strain, contribute to the challenges faced by both managers and artists.

Changing Resources and Accessibility

The music industry has undergone a significant transformation in recent years, primarily due to the accessibility of resources and technological advancements. Artists now have unprecedented access to tools for music distribution, promotion, and fan engagement. Social media, streaming services, and online music communities provide artists with direct connections to their audience, reducing the reliance on traditional gatekeepers like managers.

Compared to two or three decades ago, artists today can independently release music, build a fan base, and generate revenue without relying heavily on traditional artist management. The democratization of music production and distribution has opened up new avenues for artists to establish their careers and gain recognition. Consequently, the necessity for artist management has diminished for many emerging acts seeking sustainability.

Success and Failure Rates of Management Relationships in Australia

Over the past 20 years, the success and failure rates of management relationships in the Australian music industry have varied. While success stories exist, with managers propelling artists to international stardom, there have also been instances of strained relationships, misaligned goals, and poor financial outcomes.

These challenges are often attributed to the changing dynamics within the industry. Artists are taking more control of their careers and relying on a broader network of professionals to support them. Consequently, the role of an artist manager needs to evolve, becoming more of a facilitator, connector, and strategist who works collaboratively with artists, helping them navigate the industry while respecting their autonomy.

The evolving music landscape and changing financial realities have presented considerable challenges for artist management in the Australian music industry. The financial arrangements between managers and artists, particularly in relation to streaming royalties, need to be reevaluated to ensure fair compensation that acknowledges the manager's efforts.

As artists have gained access to a multitude of alternative income streams, emerging artists may struggle to generate substantial income, making it difficult for managers to sustain their work solely through artist management. This necessitates a reassessment of compensation models and the exploration of innovative approaches that balance the efforts and financial sustainability for both managers and artists.

Communication, realistic expectations, and mutual understanding are vital for fostering successful manager-artist relationships. As the industry continues to evolve, the role of artist managers should adapt, focusing on collaboration, strategy, and providing guidance that complements the resources and opportunities available to artists today. By embracing these changes, the music industry can pave the way for a more sustainable and mutually beneficial future for managers and emerging artists alike.