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FREE GUIDE · MUSIC BUSINESS BASICS

The music business, in plain words.

A glossary for artists, creatives and anyone just getting started. 150+ words, explained so anyone can use them.

A CONSCIENCE EFFORT

MEDIA x ENTERTAINMENT x RECORDS

New to music? Start here.

Music is a business with its own language. This guide puts that language into plain words, so you can walk into any room, read any contract email and ask better questions.

Use it like a dictionary. Look up a word when you hear it. Read a whole section before a big meeting. Keep it close.

Three things to know first

1 **Every song has two copyrights.**

One is for the song itself: the words and the melody. The other is for the recording. Different people can own each one.

2 **Most music money is royalties.**

A royalty is a small payment each time your music is used. Small payments add up, so sign up to collect every one you're owed.

3 **Get it in writing.**

Splits, credits and deals belong on paper before the music comes out. A quick agreement today saves a fight later.

READ BEFORE YOU SIGN

This guide explains words. It's not legal or financial advice. Before you sign anything, have an entertainment lawyer read it.

What's inside

01 The People

02 Making Music

03 Ownership and Rights

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THE BIG IDEA

One song, two copyrights.

If you learn one thing from this guide, learn this. Almost every deal, payment and permission in music comes back to these two sides.

THE SONG

The Composition

The words and the melody. It's still the same song when someone else sings it.

Owned by: songwriters and their publishers

Earns: performance and mechanical royalties

Sign up with: a PRO and the MLC

THE RECORDING

The Master

The actual recording you hear. A new recording of the same song is a new master.

Owned by: whoever paid for it, often the artist or a label

Earns: master royalties and digital radio money

Sign up with: a distributor and SoundExchange

A stream pays both sides. A cover version uses only the song side. Putting music in a TV show needs a yes from both.

Who collects what

THE MONEY	WHO IT'S FOR	WHO COLLECTS IT
Performance royalties	Songwriters, publishers	PROs: ASCAP, BMI, SESAC, GMR
Streaming mechanicals (US)	Songwriters, publishers	The MLC
Master royalties	Master owner	Your distributor or label
Digital radio	Artists, master owners	SoundExchange
Sync fees	Song and master owners	Paid directly through the deal
Show money	The artist	Promoter pays, often through your agent

SAME WORD, DIFFERENT MEANING

Advance is money paid up front. **Advancing a show** is confirming the details before show day.

Master is the recording. **Mastering** is the final polish on the sound.

Publisher handles songs. **Publicist** handles press.

Points are percents of master royalties. 1 point = 1%.

01

The People

Who's who on an artist's team, and what each person does.

Artist	The person or group whose name is on the music and who performs it. Everyone else on this list works with or for the artist.
Manager	Your main business partner. A manager helps plan your career, builds your team and works on your deals. Usually paid a commission, often 15% to 20% of what you earn.
Day-to-Day Manager	Handles the daily schedule, emails and details, so the artist and the main manager can focus on the big moves.
Booking Agent	Finds and books paid shows and tours. Usually paid about 10% of show money. In some states, like California, booking work is a job for licensed agents.
Entertainment Lawyer	A lawyer who reads, writes and negotiates music contracts. Paid by the hour, a flat fee or a percentage (often 5%).
Business Manager	Handles the money side: paying bills, taxes, budgets and tracking what you're owed. Often an accountant.
Publicist	Gets you press: interviews, reviews, articles and features.
A&R	Short for Artists and Repertoire. The people at a label or publisher who find new talent and guide the music, from picking songs to picking producers.
Record Label	A company that pays to make, release and promote recordings. In return, it usually owns or controls the masters for a set time.

Music Publisher	A company that handles the business of songs (not recordings): registering them, licensing them and collecting songwriter money.
Distributor	Gets your music onto Spotify, Apple Music and other apps, and collects the money they pay. DistroKid, TuneCore and UnitedMasters are examples.
Producer	The person who shapes the sound of a record. Some make the beat, some guide the session, many do both.
Songwriter	Anyone who writes the words or the music of a song. Writing the melody counts.
Topliner	A songwriter who writes the melody and lyrics on top of a beat that's already made.
Recording Engineer	Runs the equipment in the studio and captures the performance.
Mixing Engineer	Balances every part of a recording so it all sounds clear and works together.
Mastering Engineer	Gives a song its final polish so it sounds right, and loud enough, on every speaker and app.
Session Musician	A player hired to perform on a recording or at a show, usually for a flat fee.
Promoter	The person or company that puts on a concert. They book the venue, sell the tickets and take the money risk.
Tour Manager	Runs the tour on the road: travel, schedules, money and keeping everyone on time.
Production Manager	Runs the technical side of a show: stage, sound, lights, crew and the schedule.

Music Supervisor	Picks the music for TV shows, movies, ads and video games.
PRO	Performing Rights Organization. Collects money for songwriters and publishers when songs are played in public: radio, TV, venues and streaming. In the US: ASCAP, BMI, SESAC and GMR.

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Making Music

Words you'll hear in the studio and the writing room.

Session	A block of time booked to write, record or produce.
Demo	A rough recording made to share an idea or show your talent. It's not the final version.
Beat	The instrumental music a vocalist performs over.
Stems	Separate audio files for each part of a song (drums, bass, vocals) so it can be mixed or remixed.
Reference Track	A song you play for your team to show the sound you're going for.
Hook	The catchiest part of a song. Often the chorus.
Verse	The part of a song that tells the story. The words usually change each time.
Chorus	The part that repeats. It carries the main idea of the song.
Bridge	A different section, usually near the end, that breaks up the pattern before the last chorus.
BPM	Beats per minute. How fast a song is.
Key	The set of notes a song is built on. It tells singers and players which notes fit.

Sample	A piece of an existing recording used in a new song. You need permission from both the song owner and the master owner.
Interpolation	Re-playing or re-singing part of an existing song instead of using the original recording. You need permission from the song's owners.
Feature	A guest artist on someone else's song, shown as "feat." in the title.
Rough Mix	A quick, unfinished mix used to listen back before the final mix.
Split Sheet	A short document that lists everyone who wrote a song and what percent each person owns. Fill it out the same day you write.
Credits	The official list of who wrote, produced, performed and engineered a song. Credits help people get paid and get hired.

03

Ownership and Rights

Who owns the music, and how ownership is tracked.

Copyright	The legal right to control and earn from a creative work. It starts the moment the work is recorded or written down.
Composition	The song itself: the lyrics and the melody. Owned by the songwriters and their publishers.
Master	The actual recording of a song. Usually owned by whoever paid for it, often the artist or a label. Also called the master recording.
Master Ownership	Who owns the master. The owner decides how the recording is used and earns the biggest share of its money.
Publishing	The business of songs: owning, licensing and collecting money for compositions. "Your publishing" means your ownership share of your songs.
Copyright Registration	Filing your work with the U.S. Copyright Office. You own your work without it, but registering gives you stronger protection and is needed before you can sue in most cases.
License	Permission to use something you don't own, usually for a fee and under set rules.
Sync License	Permission to put music with video: TV, film, ads, games or online video. You need a yes from both the song owner and the master owner.

Mechanical License	Permission to copy and share a song, like on streams, downloads, CDs or a cover version.
Clearance	Getting every permission you need before releasing music that uses someone else's work.
Work for Hire	A deal where the person who pays you owns what you make. You give up ownership.
Public Domain	Works that no one owns anymore because the copyright ran out. Anyone can use them for free.
ISRC	International Standard Recording Code. A unique ID for each recording. Your distributor can give you one.
ISWC	International Standard Musical Work Code. A unique ID for each song (composition), given when the song is registered.
IPI Number	Your personal ID number as a songwriter or publisher. You get one when you join a PRO.
Metadata	All the info attached to your music: title, artist, writers, producers and ID codes. Wrong metadata means lost money.
Reversion	When rights go back to the original owner after a set amount of time.

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Money and Royalties

How music makes money, and who collects it.

Royalty	A payment you earn each time your music is used: streamed, sold, played or licensed.
Performance Royalties	Paid to songwriters and publishers when a song is played in public. Collected by PROs.
Mechanical Royalties	Paid to songwriters and publishers when a song is copied, like a stream, download or CD.
MLC	The Mechanical Licensing Collective. Collects mechanical royalties from streaming services in the US and pays songwriters and publishers. Free to join.
Master Royalties	Money the owner of a recording earns from streams, sales and licenses.
SoundExchange	Collects royalties when recordings play on digital radio, like SiriusXM and Pandora radio, and pays artists and master owners. Free to join.
Neighboring Rights	Money paid to artists and master owners when recordings play on radio and in public, mostly outside the US.
Sync Fee	A one-time payment for using music in a video, show, movie or ad.
Advance	Money paid to you up front, against royalties you'll earn later. You usually don't pay it back out of pocket, but you won't get royalty checks until it's earned back.

Recoup	When a company earns back your advance and other costs from your share of the royalties. "Recouped" means it's paid back.
Recoupable	A cost that comes out of your royalties later. Videos, tour support and marketing are often recoupable. Ask before you agree.
Points	A percent of master royalties. Producers often get points. 1 point = 1%.
Split	How ownership or money is divided between people. Song splits must add up to 100%.
Commission	The percent a manager or agent takes from what you earn.
Gross	All the money that came in, before anything is taken out.
Net	The money left after costs and fees come out.
Backend	Money paid later, from royalties or profits, instead of up front.
Buyout	A one-time payment that replaces any future royalties.
Per Diem	A daily cash allowance for food and small costs on tour or work travel.
Budget	The planned spending for a project, release or tour.

05

Deals and Contracts

The agreements you'll be asked to sign, in plain words.

Record Deal	A contract with a label to record and release music. It usually gives the label rights to your masters.
Major Label	One of the three biggest label groups: Universal, Sony and Warner.
Independent Label	A label that isn't owned by a major. Also called an indie.
Imprint	A smaller label brand that lives inside a bigger label.
360 Deal	A deal where the company takes a share of more than music sales: also touring, merch, brand deals and more.
Distribution Deal	A company gets your music into stores and apps for a fee or a percent. You usually keep your masters.
Label Services Deal	You keep your masters and pay a company, or share income with it, for services like marketing and promotion.
Publishing Deal	A contract with a publisher to handle your songs. Common types are co-publishing and admin deals.
Co-Publishing Deal	You and a publisher share ownership of the publishing side of your songs.
Admin Deal	A publisher registers your songs and collects your money for a fee, often 10% to 20%. You keep ownership.

Management Agreement	Your contract with a manager. It covers the commission, how long it lasts and what happens if you part ways.
Sunset Clause	The part of a management deal that says how long a manager keeps getting paid on past work after the deal ends, and how that pay goes down over time.
Producer Agreement	Your contract with a producer. It covers the fee, the points and the credit.
Term	How long a contract lasts.
Option	The company's right to keep the deal going or ask for another project. The choice is usually theirs, not yours.
Territory	Where in the world a contract applies.
Exclusivity	You agree to work only with that company for what the contract covers.
Deal Memo	A short list of the main deal points, written before the full contract. It can still be binding, so read it closely.
Key Person Clause	Lets you leave a deal if a specific person, like your A&R, leaves the company.
Cross-Collateralization	When a company uses your earnings from one project to pay back costs on another.
Joint Venture	Two companies team up on a project and share the costs and the profits. Also called a JV.
NDA	Non-Disclosure Agreement. A promise to keep certain information private.

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Releasing Music

Getting your music out and in front of listeners.

DSP	Digital Service Provider. A streaming or download app: Spotify, Apple Music, Amazon Music, YouTube Music, Tidal.
Single	One song released on its own.
EP	Extended Play. A short project, often 3 to 6 songs.
Album	A full project, usually 7 songs or more.
Release Date	The day your music comes out. Most new music comes out worldwide on Fridays.
Rollout	The full plan for a release: teasers, content, press, playlists and shows, start to finish.
Pre-Save	Lets fans add a song to their library before it comes out, so it's waiting for them on release day.
Smart Link	One link that sends fans to your music on whatever app they use.
Editorial Pitch	Sending an unreleased song to a streaming app's editors so they can consider it for playlists. On Spotify, you pitch through Spotify for Artists at least a week before release.
Playlist	A list of songs grouped by mood, genre or moment. Made by editors, by the app's algorithm or by fans.

UPC	Universal Product Code. A barcode ID for a release (single, EP or album).
Cover Art	The square image for your release. Make sure you have the rights to every photo and font in it.
EPK	Electronic Press Kit. One page or file with your bio, photos, music, press and contact info.
One-Sheet	A single page that sums up an artist or a release for industry people.
Visualizer	A simple, often looping video made to go with a song.
Catalog	All the music an artist or company owns or has put out.
Radio Add	When a radio station officially adds a song to the songs it plays.

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Live Shows and Touring

From booking the date to settling up after the last song.

Gig	A show you're booked to play.
Showcase	A short set to show industry people what you can do.
Headliner	The main act of the night. They usually play last and longest.
Opener	The act that plays before the headliner. Also called a support act.
Hold	Saving a date at a venue before it's confirmed. A first hold gets first choice.
Guarantee	A set amount the artist gets paid, no matter how many tickets sell.
Door Deal	The artist is paid from ticket sales, often a percent of the door.
Versus Deal	The artist gets the guarantee or a percent of the profit, whichever is more.
Radius Clause	A rule that you can't play other shows within a set distance and time around a booked show.
Rider	The list of what an artist needs at a show. The tech rider covers sound, lights and gear. The hospitality rider covers food, drinks and the dressing room.
Advancing a Show	Confirming every detail with the venue before show day: times, parking, gear, guest list and payment. Not the same as a money advance.

Run of Show	The minute-by-minute schedule of an event.
Load-In	Bringing the gear into the venue and setting it up. Load-out is packing it all up after.
Soundcheck	Testing the sound on stage before doors open.
Stage Plot	A drawing of where every person and piece of gear goes on stage.
Input List	A list of every mic and instrument that plugs into the sound board.
Backline	The amps, drums and keyboards on stage. Often provided by the venue or rented.
FOH	Front of House. The sound board out in the crowd, and the engineer who runs it.
Monitors	Speakers or in-ear headphones that let performers hear themselves on stage.
Green Room	The backstage room where artists wait and relax before the show.
Merch	Short for merchandise. Shirts, hats, vinyl and anything else with your name on it.
Settlement	Counting up the money after a show and paying everyone what they're owed.

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Getting Heard

Words for building an audience online and in real life.

Press Release	A short news announcement sent to media about a release, tour or big moment.
Content	Anything you post: videos, photos, clips, stories, livestreams.
Algorithm	The system an app uses to decide what to show each person.
Organic	Reach you get without paying for it.
Paid Ads	Paying an app to show your content to more people.
Engagement	How people interact with your posts: likes, comments, shares and saves.
Streams	How many times your music is played. Most apps count a stream after 30 seconds.
Monthly Listeners	How many different people played your music in the last 28 days on Spotify.
Saves	When a listener adds your song to their library. A strong sign they want to hear it again.
UGC	User-Generated Content. Posts fans make using your music, like dances or trends.
Analytics	The numbers behind your music and posts: who's listening, where and when.

Street Team	Fans or helpers who spread the word about your music, online or in person.
Superfan	A fan who shows up for everything: buys merch, comes to shows, tells friends.
Mailing List	Fans' emails or phone numbers you collect. You own this list, unlike your followers on an app.
Brand Partnership	Working with a company that pays you or supports you in exchange for promotion.

KEEP LEARNING

Every pro started out new. Keep asking questions.

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