

EXECUTIVE SUMMARY

Music is many things—a thread that connects and unites, a touchstone that strengthens and supports, and a current that carries and uplifts. It’s one of the strongest emotional, social, and cultural forces in our world.

It’s also a major economic engine, boosting local communities, providing jobs and opportunity, and underpinning a wide range of related business and creative activities, from film scores to Twitch livestreams to advertising and background sound. But what is the scope of all that economic activity—how many jobs and how much revenue does music produce? This report seeks to answer these questions with regard to the U.S. music industry.

The United States is home to the world’s biggest music market. According to the IFPI, the global trade body for recorded music, the U.S. accounts for a third of the total world recorded music market¹ and 45% of its total annual growth.²

But recorded music is just one part of a much larger industry. This report examines the broader economic footprint of the United States music industry as a whole, including businesses like music publishing, internet and radio listening platforms, instrument manufacturing, musicians and music teachers, agents, concert promoters, and many others. Moreover, this report computes the spillover effects the music industry has in generating value and supporting employment in different industries.

And that footprint is enormous and was steadily growing, prior to the global pandemic.

Our analysis found that, **in 2018, the music industry contributed \$170 billion in value to the U.S. economy**—up 14.8% over the \$148 billion for 2015. **The total to direct value-added ratio was 1.5** (i.e., for every dollar of direct revenue within the U.S. music industry, an additional 50 cents is created in an adjacent industry in the U.S. economy).

Across all fields and occupations, the **2018 music industry supported, directly or indirectly, 2.7 million American jobs**. In just the few years between 2015 and 2018, industry-connected employment rose by more than 350 thousand jobs. We also found that **U.S. music industry exports corresponded to \$9.08B in 2019**. And in 2018, there were more than 236,000 music related establishments across the United States.

We also studied the music industry’s contribution to state economies, highlighting results for the biggest contributors, including California, Florida, Pennsylvania, New York,

BY THE NUMBERS

\$170B
TOTAL ECONOMIC
CONTRIBUTION TO GDP

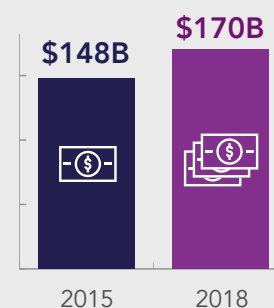
2,466,026
TOTAL JOBS SUPPORTED

236,269
TOTAL MUSIC RELATED
ESTABLISHMENTS

\$9.08B
TOTAL U.S. MUSIC
EXPORTS

1.5x
VALUE ADDED MULTIPLIER

Music industry value to the U.S. economy



1 IFPI's Global Music Report 2020, pages 56 and 87.

2 IFPI's Global Music Report 2020, page 85.

Tennessee, and Texas. In California, 2018 music activities generated over 1.5% of the state’s massive GDP. In Tennessee, music produced 1.8% of state GDP, double the national average of 0.9%.

This study was conducted using Census Bureau, Bureau of Economic Analysis, and private-sector datasets covering hundreds of industries—employing a macroeconomic analysis to determine music’s direct economic and employment impacts and then a downstream RIMS II multiplier model (supplemented by an innovative new geographic breakout approach developed for this paper) to capture the full value generated by the American music industry.

There are, of course, limitations on any study of this kind due to data constraints. For example, working from national-level, aggregated datasets prevented us from examining the contributions of businesses individually. In addition, the rapid pace of business and technological change across the music sector, including the relatively sudden emergence of massive new digital platforms, introduced additional uncertainty as national data collection and classification systems work to catch up with the reality of today’s economy. We have vetted the data and made necessary estimates to ensure the report reflects the full contributions of all participants within the music ecosystem to the greatest extent possible, as described in the analysis below.

Finally, and most importantly, this report is based on pre Covid-19 pandemic data and reports findings based on the music ecosystem and industry that existed before the massive dislocations wrought by the virus and measures taken to contain its spread. While the full impact of Covid-19 related illnesses and shutdowns will not be known for years, to us the magnitude of what’s been lost is already painfully clear.

In these extraordinarily difficult times, we believe the analysis and findings contained in this report are more important than ever, providing an economic snapshot of the music industry as it stood in 2018 that can serve a number of vital purposes going forward.

Most fundamentally, it provides a necessary benchmark that will be vital to understanding the economic and human consequences of the Covid-19 period for the music sector and the people who depend on it: a “before” picture that can stand alongside the “after” we will see in coming years. At a time when the music industry has come together in extraordinary ways for mutual aid, support, and relief,³ the granular understanding and data in this report provide a vital roadmap to maximize the continuing impact of those efforts.

And looking ahead, we believe these data can serve as a lodestar showing the path we were on before the crisis hit—one of steady and expanding growth, new employment and broad, positive impacts across all fifty states, along with a growing economic pie shared by over two and a half million artists and working people nationwide. Those findings chart a course we must return to, establishing what “recovery” for the U.S. music industry and the people who depend on it, must look like to be complete.

SUMMARY STATE DATA 2018

| | GDP Contribution) | Employment | Establishments |
|--------------|-------------------|------------|----------------|
| California | \$39.5 Billion | 430,814 | 71,905 |
| Florida | \$7.6 Billion | 170,082 | 21,857 |
| New York | \$19.8 Billion | 202,933 | 20,878 |
| Pennsylvania | \$4.9 Billion | 107,737 | 11,398 |
| Tennessee | \$5.8 Billion | 61,617 | 5,402 |
| Texas | \$6.9 Billion | 125,311 | 4,502 |

3 See, e.g., <http://musiccovidrelief.com/>.