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MUS349 Music Business
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Week Ten

Music and Theatre

1. Describe what's included in subsidiary rights?

In the music industry I am learning that the structure is very complex, but the underlying factors are somewhat intriguing. In reference to the question above: Subsidiary rights are the license productions of musicals that the producer does not obtain the agreement with the author. Additionally, this includes movie rights, stock, and amateur rights, touring rights, and rights to do different productions. The book publishing rights of a play are usually retained by the book writer and not shared by the producer or the other authors. The separate rights for lyrics and music are set out in a contract and are usually retained by the composer or the music publisher.

2. What costs need to be considered in running a musical show? Why might investors be willing to take the risk of these costs?

Today we know that there is a cost for everything under the sun. In musical theater the cost is related to the effort of raising money for the show. In this aspect theater owners generally negotiate a percentage of the adjusted gross box office to receipts. To be able to run a full-time musical show is a combination of theater rental and labor-related expenses. Some of these factors may include: 1. Royalty payments of from 6% to 9%, 2. Salary for the star. 3. Salaries for the other performers. 4. Salaries for supporting performers. 5. Salaries for stage managers. 6. AFM scale for the pit musicians or musicians in the show. 7. Salaries for union stagehands, audio engineers, makeup artists, carpenters, hair stylists, and other theater personnel. 8. Producer expenses. 9. Salaries for production assistants. 10. Rental payments under the theater lease. Additionally, the investors might be willing to take the risk of these costs because the income from the subsidiary rights will cover the production costs and at the same time exceed the box office revenue.