

Barely a Trickle: How Musicians Are Ripped Off by Streaming Services

By Mose Stephens

Today, music-streaming services are under fire because they aren't paying artists enough. According to several music-industry publications, Spotify, the most popular but least ethical streaming service, pays artists about \$0.003 each time a song is played. For comparison, Apple Music, one of the more ethical streaming services, pays on average about \$0.01 per stream. Yes, you read those figures right: the *more generous* service pays musicians about *one cent* per song-play. Whether you have an Apple Music subscription or a Spotify subscription, the artists you like aren't getting paid enough. So how did this become an issue? Artists weren't always paid awful wages for their work. This is a relatively new problem.

Origins of Streaming Services (Napster, iTunes, Spotify)

Music is one of the most popular and important art forms known to man. In the late 19th century, new technological innovations allowed humanity to record music for the first time. The invention of recorded music completely changed how humanity viewed music, because it turned music into a commodity: something we can sell, buy, and own. Since then, the way people think and interact with music has changed drastically.

In 1999, another technological innovation changed music forever. Two teenage tech nerds, Sean Parker and Shawn Fanning, created Napster. Napster was an enormous technological leap forward. It allowed anyone to share music files on the internet for free. To consumers, Napster was amazing because it made almost all recorded music available for no cost. To artists, Napster was awful because it gave everyone the ability to steal their work. Since Napster's creation and inevitable collapse, the music industry has evolved quickly.

Soon after Napster's launch, Apple founder Steve Jobs created iTunes, the first digital marketplace where listeners could buy albums and singles. From Napster to iTunes to Spotify, the evolution of streaming services has been quick and catastrophic for musicians. Before Napster, to have access to an album, you would need to buy a CD, which would cost around fifteen dollars. After Napster, an album would cost, at most, about ten dollars on iTunes. Today, listening to an album with ten songs usually costs three to five cents. It's also important to note that on Spotify, after the service's recent update, artists won't make a dime until they cross the threshold of one thousand streams.

Les Nuby, an influential Birmingham record producer and artist, explains, "So if there was a really kick-ass band that would never be commercially viable, that only you and your friends listen to, and they only get enough local traction to get 650 plays, they're not getting paid."



Streaming's Impact on Music Industry's Business Model

Before streaming, the process of writing, recording, producing, publishing, and distributing music was very different. It was rare to do anything independently, and artists would have to rely on a music label to finance their projects. Basically, if you were in a band or you were an independent artist and you wanted to record an album, you would need to cultivate enough of a fanbase so that a record label would take a chance on you and fund your record.

Record labels were “sort of like a loan shark,” says James Wood, a manager at [BMI](#). Although it was difficult to do anything without help from labels, their business model was based on finding and developing new talent and giving artists a shot. Because labels would make most of their money on really big, established artists and then invest in less lucrative, smaller bands, “It was a system where the really successful artists were kind of paying for the not so successful or the developing artists,” says Wood. The bands or artists would then make money from vinyl, cassette, or CD sales, which they would use to pay the label back. Although the record industry was anything but fair, it was a business model based on finding and taking chances on new or unproven artists.

After the advent of streaming services, though, there was very little money to be made from actual recorded music. In the 1990's, buying a CD would cost around fifteen dollars. In 2025, listening to an album can cost as little as three cents. Not only do artists make much less money from their work, but record labels won't invest in unproven artists because it's so unlikely that they will be able to generate enough revenue to pay the label back. As a result, in today's music industry, if you haven't already “made it,” you're expected to fund, record, produce, market, and distribute your own music.

Today, the only real benefit a music label has to offer is radio exposure. Since the late 1990's, though, there has been a significant decrease in the number of local radio stations. Local radio exposure used to be a reliable method of promotion for smaller bands and artists, but radio has become extremely corporate and national. The only music that will ever get any traction on these larger national stations is music that is pushed by record labels.

Les Nuby complains, “By the time a song like ‘Espresso’ hits radio, it has already been vetted and is huge.”

In other words, radio is no longer used as a method to test a song's popularity. For a song to get on terrestrial radio now, it has to be an already proven (commercially successful) pop song. So, the only way to get on the radio is by getting picked up by a major label, which in turn is only possible if you have already become very popular.

The creation of music streaming services hasn't only led to artists getting paid less for their music; it has completely wiped out the previous system of institutional infrastructure that was

used to propel new and unproven artists to success, effectively limiting upward mobility in music.

How Lack of Money Impacts Quality

So, if the actual recorded music isn't the product anymore, what is? Strictly on the business side of modern music, the actual product an artist or label is attempting to sell is either expensive concert tickets or merchandise. The focus of the industry isn't music anymore. There is no substantial amount of money to be made from streaming, so artists and labels are forced to focus on building a brand and selling products to their listeners.

This change in the industry "forces people to write really gimmicky [crap]," says Nuby. He argues that this is precisely the reason pop music is so "stale" these days: "The fact of the matter is the music isn't even the product anymore. The music is just some weird way to get you there in order to sell you something."

Aside from the influence streaming services have had on the general quality of music, what power do businesses like Spotify have *directly* over what music becomes popular? Les Nuby says *a lot*. A massive part of Spotify's influence on modern music comes from the company's own editorial playlists. Spotify "editors" pick which music gets onto the editorial playlists. Those playlists are extremely influential over what people listen to these days.

"The real question is what's *not* getting put on those playlists," says Nuby. To artists and consumers alike, it's unclear what sort of qualities these curators are looking for and avoiding. Spotify claims that these mysterious people are "genre, lifestyle, and culture specialists with diverse backgrounds." Whoever they are, they hold immense power over popular trends. And it's safe to assume that they make their decisions mainly based on corporate interests.

What Now? Is There Any Hope?

Although the state of the modern music industry may seem hopeless, it's important to note that it's never been perfect. From the advent of recorded music in the late 1800's until now, the record industry has been a way for people to rip off artists. As Hunter S. Thompson once said, "The music business is a cruel and shallow money trench, a long plastic hallway where thieves and pimps run free, and good men die like dogs."

Even though the music industry being unfair isn't exactly a new thing, why hasn't there been more pushback against streaming services from record labels and artists alike? Many A-list musicians like Taylor Swift, Snoop Dogg, and Weird Al Yankovich have spoken out against platforms like Spotify, but no one seems to *really* be fighting back. To make Spotify or any streaming service change, there needs to be a large-scale movement from really popular and influential artists.

“With my Apple Music subscription, I spend more money per month on music than I used to, but the artists I’m listening to are getting paid less than they ever have,” says Nuby.

It is unrealistic to expect our current government to create any real change, so the fate of modern artists’ livelihoods is in the hands of the artists themselves. What Nuby calls “the million-dollar question, or the trillion-stream question,” is what exactly the future music industry will be. With powerful streaming services continuously cracking down on artist revenue and the oncoming threat of AI, the future of music looks bleak.

But all is not lost (I hope). It may be a lot harder to make money on music today, but there are still examples of people who have carved out their own paths through the modern “shallow money trench.” Artists like Mac DeMarco, Pheobe Bridgers, and Clairo are rare examples of how independent artists can become successful in today’s world. It’s just a shame today’s music industry makes it so hard to do.