

## Music's 1-Percenter Rule Concert Sales

By NEIL SHAH

A small number of superstars like Beyoncé and Taylor Swift is gobbling up an increasingly outsize share of concert-tour revenues, as music's biggest acts dominate the business like never before.

Sixty percent of all concert-ticket revenue world-wide went to the top 1% of performers ranked by revenue in 2017, according to an analysis by Alan Krueger, a Princeton University economist. That's more than double the 26% that the top acts took home in 1982.

Just 5% of artists took home nearly the entire pie: 85% of all live-music revenue, up from 62% about three decades earlier, according to Mr. Krueger's

research. "The middle has dropped out of music, as more consumers gravitate to a smaller number of superstars," he writes in a new book, "Rockonomics," set to come out in June. (Mr. Krueger died in March.)

The change is the latest fallout from the industry upheaval wrought by music-streaming. Superstars have long dominated sales of recorded music, but streaming has made that less lucrative. Performers' royalties—for acts big and small—are generally much smaller on streaming than on records, CDs or download sales, so artists have to turn to concert revenue for more of their income. And it's only the superstars who

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# The New One Percenters: Music Stars

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have the ability to charge significantly more for tickets than their predecessors did a generation ago. That leaves non-superstar performers competing for a shrinking share of the concert pie.

The average ticket price in the U.S. jumped from \$12 in 1981 to \$69 in 2017, far outstripping inflation and driven by superstars, Mr. Krueger's research indicates. Three tours alone—Ed Sheeran, Taylor Swift, and Beyoncé with Jay-Z—hauled in around \$1 billion in concert-ticket revenue in 2018, up from the \$600 million that 2008's three highest-grossing tours brought in, according to Billboard Boxscore. Beyoncé and Jay-Z charged \$117 a ticket on average, according to Pollstar, the concert publication. Taylor Swift? \$119. (Ed Sheeran, by contrast, charged a relatively more modest \$89.)

Meanwhile, at the bottom of the industry, the lowest 2,500 acts ranked by revenue grossed an average of about \$2,500 in 2017 from concert tickets, out of the 10,808 touring acts that year that Mr. Krueger studied. There were 109 acts in the top 1%.

Acts in the middle are looking for ways to supplement their income. Lee Bains III, leader of the Birmingham, Ala., rock band the Glory Fires, works in building maintenance when he's not busy touring. Buzzy artists like folk-rock singer-songwriter Phoebe Bridgers sometimes play private parties to bring in extra cash.

"It's not like you're flying in on a jet, someone hands you a golden microphone and then you go back to your mansion," says Americana singer-songwriter Hayes Carll, who expects to play around 120 shows on his tour this year.

Performers today generally generate about three-fourths of their income from concert tours, compared with around 30% in the 1980s and 1990s. While many artists have tried to increase ticket prices to compensate for smaller recorded-music revenues, the biggest stars have the most leverage.

Concerts generated a record-setting \$10.4 billion in revenue last year, according to Pollstar, whose data Mr. Krueger analyzed. While the share of concert tickets sold by superstars has stayed relatively constant, "the actual ticket prices themselves have risen quite dramatically compared to everyone else," says James Reeves, Mr. Krueger's research assistant.

Of course, in some ways, streaming-music services and social-media marketing have helped small acts, making it easier for emerging artists to find fans. But

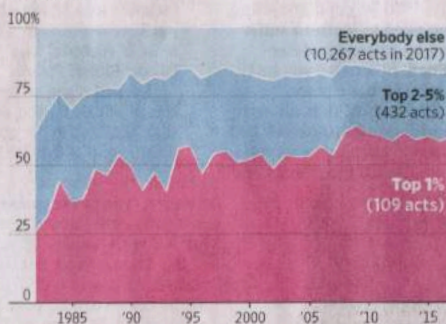


A sampling of the performers in the concert industry's top 1% in recent years: clockwise from top left, Taylor Swift; Beyoncé; Justin Bieber; James Hetfield of Metallica; Mick Jagger of the Rolling Stones; Bono of U2; Lady Gaga; and Bruno Mars.

## The Rise of the Superstars

The top 1% of performers raked in 60% of overall global concert-ticket sales in 2017—more than double their share in 1982. In 2017, the top 5% accounted for an overwhelming 85% of revenue. The top 10 highest-grossing touring artists in 2013-2017 show how, even within pop music's 1%, the spoils of the concert-industry boom are concentrated.

### Ticket revenue market share\*



\*Excludes non-music acts. †With the E Street Band  
Note: Average revenue calculated using the number of years the act toured during the period.  
Sources: Alan Krueger's calculations based on Pollstar Boxoffice Database (marketshare); James Reeves using Pollstar data from Alan Krueger (ticket revenue)

for performers in the middle market, particularly in genres like rock—which isn't as popular on streaming as hip-hop—the reduced earnings from recordings and increased need to tour can be tough. "There's a beneficial aspect for the bottom and the top, but I think the middle takes a bit of a hit," says Josh Feshbach, who manages R&B newcomer Pink Sweat\$. "The gap between the middle and the top has expanded."

One performer in the middle, the singer-songwriter Mr. Carll,

says he makes about 80% of his income from performing live. The 120 shows he plans to do this year is less than the 200 he used to do earlier this decade, but he says he cut back on the grueling pace to take better care of himself.

On a recent Friday, Mr. Carll woke up at 7 a.m. in Denver, where he'd played a show the night before, and drove 10 hours to Salt Lake City. The 43-year-old musician's crew stopped at a gas station for lunch before heading to

their next gig.

"It's a struggle to make a balanced life out of it," says Mr. Carll, whose literate songs have drawn comparisons to Texas legend Townes Van Zandt.

Mr. Carll makes a good living, he says, but even revenue streams like T-shirts—where artists enjoy thicker profit margins—aren't as lucrative as one might think. Music venues often take a cut of 20% or higher of the merchandise, he says. By the end of a tour, merchandise sales can determine whether it was

financially successful or not.

"Being on the road is expensive," Mr. Carll says. "But you can't make money unless you're out there, so it's a Catch-22."

The concert circuit is so jammed with artists competing for tour dollars that there's even been a shortage of tour buses. "There was an issue with bands getting tour buses because everyone was on the road," says Mike Luba, president of Madison House Presents, which is part of AEG Presents, the No. 2 concert promoter after Live Nation. Older superstar bands tend to hog the buses: "They take six buses," Mr. Luba says.

"This is a great time for some venture capitalist in New York City to, like, open up a friggin' bus company," says Cary Ann Hearst, who with husband Michael Trent performs as the rock duo Shovels & Rope. The pair juggle 100 shows a year with caring for their two young children.

Last month, the Charleston, S.C., couple kicked off their latest tour in Houston, bringing their new baby, Oskar, along for the first time. Louisiana, their 3-year-old toddler, took some time to adjust to tour-bus life; on the last tour, she sometimes woke up screaming and running up and down the bus, which crams in seven or eight adults, including their nanny.

"We're grateful to have them out here," Mr. Trent says. "But you can imagine the insanity."

### Average annual concert-ticket revenue, 2013-2017

U2	\$237 million
One Direction	209
Beyoncé	179
Adele	169
Taylor Swift	137
Bruce Springsteen*	130
Guns N' Roses	123
The Rolling Stones	120
Coldplay	116
Justin Bieber	104