



## MINIMUM FEES for Musicians (Public Funding) "Berlin Model"

Version from October 2024

This paper was developed by **DACH Music Berlin** (IG Jazz Berlin, inm, VAM Berlin, ZMB) with support from the Senate Department for Culture and Social Cohesion. It is intended to serve as a basis for an ongoing exchange on the highly complex but very urgent topic of "minimum fees", initially in public funding.

### I ASSUMPTIONS | PERSPECTIVES | STRATEGIES

As Berlin associations of the independent music scene, we have developed a **common calculation model** (based on achieving a "Pension Point", see II. CALCULATION: REFERENCE SIZES / CALCULATION SIZES / FACTORS), which applies to the associations in DACH Music and reflects the working practice and conditions of freelance musicians in these areas.

Based on this calculation, a **minimum daily rate** has been derived of

**736 € for 2024**

#### **Gradual introduction**

To avoid overloading the existing funding structures and to achieve a sustainable impact, we propose introducing the minimum fee gradually. It is important that both the minimum fee and all intermediate stages leading progressively to this minimum are clearly and transparently marked as such, so they are not perceived as "guideline fees."

Achieving this minimum seems reasonable to us in a gradation of 60%/80%/100%. These steps must be accompanied by a correspondingly proportional increase in funding. Whether it makes more sense and is more realistic to time these steps in years or budget cycles needs to be negotiated. The following gradation results:

**Stage 1: 442 €\* (60%)**

**Stage 2: 589 €\* (80%)**

**Stage 3: 736 €\* (100%)**

\* (adjusted annually to the average income)

**In view of the extremely tight budget situation, the fee limit of €375\* will continue to apply to publicly funded projects in 2025/26.<sup>1</sup>**

<sup>1</sup> 1st stage of 2023/24, reference value here was the "Average Income" in 2022

## **Sustainability - Socioeconomic, Health**

The basis for the calculation is the assumption of a "healthy/normal" workload, aiming for an income that allows for adequate social security and reflects the societal importance and quality of the musicians' work. The current cycle of self-exploitation and overwork must be broken.<sup>2</sup>

A significant part of freelance musicians' work consists of creative and organizational "invisible/investive" work that has not been compensated so far, resulting in low income and inadequate social security (pension), with no unemployment insurance currently available. This situation leads to high societal costs (old-age poverty, basic income support, health system).

It is crucial to consider and develop strategies for the problems that may arise with the introduction of minimum fees. The following **questions and demands** are essential for sustainably establishing minimum fees without harming the diversity of the independent music scene and its existing structures:

- What exactly does "binding fee standards in public funding" mean? Are we talking about a **recommendation or a requirement**?
- How to address the risk of an erosion of existing structures if minimum fees cannot be met with **partial public funding**?
- How to incorporate minimum fees into public funding structures without detaching them from the free market and causing **fee distortions**? What strategies can be developed? What responsibility does public funding have here?
- Minimum fees must also apply to the fees of freelance musicians at **publicly funded institutions** and venues (e.g. theaters, orchestras, opera houses). Considerable efforts are still needed here (see unisono's "Aushilfenampel").<sup>3</sup>
- **Funding pools must be gradually increased** to maintain the number of funded projects while adhering to minimum fees. The diversity of the independent scene must be preserved.

---

<sup>2</sup> The average volume of work in Germany is between 208 and 215 working days. Currently, many musicians work far (!) more than 208 or 215 days/year. Because "invisible/investment" working hours have not yet been remunerated at all, it is hardly possible to generate a sufficient income even if the number of working days is well above average - this also applies to renowned groups and artists. This situation of permanent overwork/self-exploitation combined with a precarious income situation must be brought to an end - it is unsustainable both for the artists and in terms of social policy.

<sup>3</sup> The "Aushilfenampel" developed by unisono Deutsche Musik- und Orchestervereinigung e.V. can be found here: <https://unisono.org/aushilfenampel-24-25>. It gives a first impression of what is currently paid in rehearsal and daily rates for so-called orchestra assistants in German orchestras.

## **II CALCULATION: REFERENCE SIZE / CALCULATION SIZES / FACTORS**

### ***Target Annual Income***

As preliminary reference for determining what the minimum annual income for freelance musicians should be (to be generated with "full workload")<sup>4</sup> we chose the

### **"Average Income" ("Pension Point")**

The "Average Income" (*Durchschnittsentgelt*) is an important figure in the German social security system and depicts the average annual gross income of all employees in Germany. It is evaluated each year and is one of the main parameters which define how many "Pension Points" can be collected. The number of collected "Pension Points" determines how high the individual state pension will be. Reaching the "Average Income" equals one "Pension Point" for that year. Staying below the average results in fewer points and consequently in a lower pension.

**The "Average Income" is for 2024 at € 45.358 gross. (2022: € 38.901)**

The *annual gross income* of an employee is equivalent to the *annual profit* of a freelance musician.

In comparison: The average annual profit of freelance musicians in Germany in 2024 is **€ 15.615**. (NB: Average male musicians € 18,059, Average female musicians € 13.170!)<sup>5</sup>

Advantages of "Average Income" as reference:

- Considers the aspect of social security (retirement security, "Pension Points")
- Societal relevance
- Continuous dynamism, as it indirectly reflects, for example, tariff increases

*Music-Specific Factors:*

To achieve this annual income, a target revenue exceeding the annual income must be generated, which includes various elements of freelance musicians' activities: 40% Operating Costs, 10% "Investment Surcharge", "Invisible/Investive" work (assuming 226 working days ["full workload"] with 113 paid and 113 investive workdays).

### ***Classifications***

Classification by age, professional experience, or qualifications are not practical for minimum fees in the music sector. It could lead to age discrimination and has no informative value in many music fields.

---

<sup>4</sup> "Full workload" =226 working days/year, derivation see below

<sup>5</sup> <https://miz.org/de/statistiken/ksk-musik>, see fig. "Ausübende Künstler\*innen"

Reference Size → Revenue → Target Revenue → Daily Rate		
Reference Size: Average Income		
	%	€/p.a.
Target Annual Income (Reference Size: Average Income)		€ 45.358 (=Average Income 2024)
plus Operating Costs	40 % of Revenue	€ 30.239
<b>Revenue (100%)</b>		<b>€ 75.597</b>
plus "Investment Surcharge"	10 % of Revenue	€ 7.560
<b>Target Revenue Including „Investment Surcharge“</b>		<b>€ 83.156</b>
<i>Full workload: 226 workdays/year, with 113 paid and 113 investive workdays. The target revenue must be achieved in 113 days ("visible/paid" working time).</i>		
<b>Daily Rate Calculation</b>	113 Tage à	<b>736 €</b>

### Workdays

- Average Workdays for Employees in Berlin: 213 days/year (excluding weekends, holidays, average vacation days, and average sick days)
- For freelance musicians, we assume slightly more workdays due to self-employment:

**226 days total**

→ covering both "invisible/investive" and "visible/paid" work

### Time Units

#### Day/Daily Rate, smallest time unit

„rehearsal“ (=half day) (1 Daily Rate: e.g., 2 rehearsals of 3 hours each or 1 concert + warm-up rehearsal)

- Artistic activities cannot be calculated on an hourly basis

### Operating Costs

**40% of target revenue**

- Is priced in as a lump sum

### “Invisible/Investive” / “Visible/Paid” Work

“Invisible/Investive” Work is integral part of the profession

- i.e. practicing, research, project development, further training, office work, acquisition, marketing, travel times
- It constitutes a significant portion of freelancers' total work time
- Has not been compensated so far

#### “Visible/Paid” Work

- Rehearsals and concerts

**Ratio "Invisible/Investive" / "Visible/Paid":**

**50:50\***

(\*Cross-genre consensus in DACH Musik Berlin based on experience)

→ The target revenue must be generated **over 113 paid workdays per year**, assuming a total of 226 workdays (= full workload).