

LIVE MUSIC CHALLENGES IN EUROPEAN CITIES

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Human resources: when fair pay is unfair for small and medium-sized live venues

The cultural and live music sectors face significant challenges related to human resources, stemming from financial and structural constraints. Chronic understaffing and high turnover rates, exacerbated by low salaries that fail to keep up with the rising cost of living, particularly in gentrified urban areas, create instability.

Respondent from France, Lyon - 400-capacity venue



Even if as a cultural venue we respect our collective agreement, we don't pay well enough. Indeed, the cost of living in a large city like Lyon compared to the standard salary, if we don't adjust for the cost of living, is too low. I have colleagues who moved to Saint-Étienne to work here... However, we have quite a strong appeal to still attract employees who want to stay, even if the pay isn't great. But it has to be... The project has to be interesting. They have to really find something there.

Recruitment is further hindered by **shifts in work preferences**, as younger generations increasingly reject night shifts and prioritize work-life balance. Burnout and a loss of motivation are pervasive among staff, who often feel overwhelmed by financial pressures and systemic neglect.

Respondent from Germany, Berlin - 250 capacity-venue



But with the younger generation... I feel that it's a bit harder. And of course, because it's nightlife... so it's mostly people over 30, around 35-ish. It's less likely to find younger people working at night. So, yes, it's a bit of a struggle for that generation—the one typically more inclined to work in pubs, like university students in their 20s. There's a bit of a shift now. But we're all kind of hoping they'll return to their habits, going out and needing money.

Payroll remains one of the highest and most constrained expense categories, often unable to be adjusted in response to fluctuations in activity levels or revenue streams. In times of crisis, this rigidity further hampers the ability of small and medium-sized concert venues to increase wages or hire new staff, exacerbating their financial and operational challenges. At the same time, **operating budgets are becoming insufficient** to cover salaries, forcing reliance on project-based funding. The **shift from operating on general operational funds to project-based funding** has been noticeable in many parts of Europe, particularly in the cultural and nonprofit sectors

This evolution is due to several factors, including tightening budgets, increasing demands for transparency, and a move towards funding specific outcomes or activities rather than broad operational support. This model is seen in how grants and subsidies are allocated based on specific, measurable outcomes rather than general support for day-to-day activities.

Respondent from France, Lyon - 250-capacity venue



Although we received exceptional aid during the Covid crisis, the specific SMAC¹ subsidies were not increased to offset inflation. Even with a significant increase in our SMAC funding, our model remains very specific, relying on substantial project-based funding but lacking a solid operational base. In practice, our SMAC subsidies do not cover either the venue or the team, creating a shortfall. Even when considering only the team working on the SMAC, excluding the project funding, this lack of basic funding remains a problem. This is a situation shared by some of my colleagues, so it's not an isolated case.

In Wallonia for example, there are **increased requirements for accessing public funding**, creating an imbalance between the rise in funding allocations and the expanding scope of responsibilities. Funding is project-based, yet adequate resources are lacking. Additionally, hiring is necessary, often requiring further training.

Court-circuit, network of professional live music venues in Wallonia and Brussels, BE.



The primary challenge, unsurprisingly, remains employment. Although we have benefited from an increase in multi-annual funding agreements for the majority of members, this increase is insufficient to enable new hires. This is because the additional funding is coupled with demands to expand activities. Furthermore, we are already facing a general rise in costs, including salaries, energy expenses, and artist fees. As a result, these budgetary adjustments merely allow us to absorb these increases, or, at best, to operate with greater caution. However, only in very rare cases do they provide the means to hire additional staff. Beyond these financial constraints, each member is expected to meet significant dissemination requirements, in addition to the activity targets outlined in their respective contracts.

The Netherlands have started promoting **fair pay for cultural workers** to strengthen these jobs, especially in response to inflation and rising prices.

Respondent from The Netherlands, Utrecht - 450-capacity venue



"We have an issue with people working here as independents; they operate their own companies, such as sound engineers and lighting technicians. The government wants to reduce this practice because they are concerned about exploitation, as these workers often don't earn much per hour—which is true, to some extent. However, we can't afford to pay them more or hire them as full-time employees, as that would significantly raise our costs. With budget cuts across the board, these rising costs are a major issue for us."

Fair pay for artists without putting small and medium-sized concert venues at risk

This fair pay principle also concerns artists and has raised an important debate in the country at the moment. On this topic, the conclusion of the report FairPACCT² highlights significant income disparities faced by pop musicians in the country.

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1. SMAC: A Scène de Musique ACTuelle (Contemporary Music Scene) is a French designation for venues or organizations dedicated to supporting and promoting contemporary music across a wide range of genres through live performances, artist development, and community engagement.

2. Vinkenburgh, Bastiaan, et al. "fairPACCT De kloof tussen inzet en inkomsten van popmusikanten." vnpf.nl, 16 01 2023, . Accessed 09 12 2024.

It reveals that musicians' earnings from live performances are only about one-third of the social minimum income and one-fourth of what would be considered fair pay. The report emphasizes that current revenue from ticket sales and other income streams in the pop sector cannot sustain this adjustment.

To address this, the report estimates that an additional €7.8 million annually is needed to ensure fair compensation for artists in the early stages of their careers. This financial gap risks undermining the viability of smaller venues and limits equitable artist compensation, particularly for less established performers.

Respondent from The Netherlands, Utrecht - 450-capacity venue



The issue of fair pay for Dutch artists is currently a significant topic of discussion in the Netherlands. It has been estimated that the entire music sector would require around 8 million euros to ensure fair wages for artists. However, this burden is unsustainable for smaller venues, which would face bankruptcy within a year if they were required to meet these standards. For instance, under fair pay guidelines, a starting artist would receive 150 euros per band member, meaning a six-member band would earn 900 euros in total. Currently, venues generally pay 250 euros for such performances, highlighting a substantial gap between what is considered fair pay and what venues can afford. The fair pay calculations are based on minimum wage standards in the Netherlands, but many small venues simply lack the financial capacity to meet these requirements.

To address this issue, a sector-wide discussion is underway in the Netherlands to develop a **classification system** based on professionalism, popularity, and other relevant factors. This initiative aims to create more equitable pay scales that reflect the diverse contributions and market value of artists.

Respondent from The Netherlands, Amsterdam - 150-capacity venue



So far, we are just trying and piloting a new program in collaboration with other venues, not only our own, where they classify artists more effectively. They've created five classifications for artists, ranging from 'starting' to 'developing a career' to, well, 'stars'—or something along those lines. This is really relevant for us because, initially, they said, 'You have to pay everyone fairly.' But if an artist is just starting out, they don't attract a big audience and might not yet have the quality or experience of a more established artist. So, in those cases, fair pay should actually be lower than for more developed artists. Now, they are piloting these classifications based on specific criteria—things like the number of streams, albums released, performances in the Netherlands, and gigs abroad. We think these classifications are really interesting because they allow us to evaluate our acts based on these criteria. For example, we can determine that a particular act is a 'starting artist' based on these benchmarks, which then helps us establish what fair pay for them would be.



Credit: Plon, Nist Nah at Le Florida (Agen, FR)

By establishing clear benchmarks for compensation, stakeholders can address disparities more effectively and ensure artists are fairly remunerated for their work. This framework would offer a nuanced approach, ensuring that emerging and less commercially established artists are compensated in line with their career stage, without placing an unsustainable financial burden on smaller venues and cultural organizations. Ultimately, it seeks to preserve diversity, support the programming of new talent, and ensure that remuneration requirements remain adaptable to both artists' profiles and the financial capacities of smaller venues.

Meanwhile, rising operational costs, including tax increases without exemptions for cultural activities, compound financial instability. It is urgent to create an environment where artists and cultural professionals can be fairly compensated without placing undue financial strain on venues. These spaces are vital, but they should not rely on the sacrifice of the economic and mental well-being of their staff.

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