Sample Record Label Budget for New Recording Project

**Recording Expenses:**
- Studio fee: $52,500
- Drum Amp, Mic and Phase: $3,000
- Recording tape: $8,000
- Equipment rental: $5,000
- Cartage and Transportation: $5,000
- Lodgings while in studio: $10,000
- Catering: $3,000
- Mastering: $10,000
- Tape copies, reference CDs, shipping tapes, misc. expenses: $2,000
- Total: $98,500

**Additional Expenses for Recording:**
- Professional drum kit: $5,000
- Professional guitars [2]: $5,000
- Professional guitar amp rigs [2]: $4,000
- Professional bass guitar: $1,000
- Rehearsal space rental: $2,000
- Total: $17,000

**Video Expenses** (paid from a separate recoupable advance from Record Label):
- Cameras: $8,000
- Crew: $5,000
- Processing and transfers: $3,000
- Off-line: $2,000
- On-line editing: $3,000
- Catering: $1,000
- Stage and construction: $3,000
- Copies, couriers, transportation: $2,000
- Director's fee: $3,000
- Total: $30,000

**Promotional Expenses:**
- Album Artwork: $5,000
- Promotional photo shoot and duplication: $5,000
- Events: $5,000
- Total: $15,000

**Tour Expenses** (paid from a separate recoupable advance from Record Label):
- Bus: $25,000
- Crew [3]: $7,500
- Food and per diems: $7,875
- Fuel: $3,000
- Consumable supplies: $3,500
- Wardrobe: $1,000
- Promotion: $3,000
- Agent's cut: $7,500
- Manager's cut: $7,500
- Total: $58,375

**TOTAL EXPENSES:** $316,375
Performing artist income:

Record sales: 250,000 @ $12 = $3,000,000 Gross retail revenue

$ 390,000 Artist Royalty due: [13% of retail]:

Less advances: $317,000 ($ 250,000- Recording Fund + 67,000 Promotional Support) = $73,000

Less Producer's points/royalties: -$ 40,000 (3%-6%)

Net Artist royalty: $ 33,000

Record company income:

Record wholesale price: $6.50 x 250,000 = $1,625,000 Gross Income

Artist Royalties due: $ 390,000 before recoupables; $33,000 after recoupables
Manufacturing, packaging and distribution: @ $2.20 per record: $ 550,000

Approximate Gross profit: $1,042,000

How each player gets paid at the end of the recording project.
Record company: $ 1,042,000
Producer: $ 90,000
Manager: $ 45,000
Studio: $ 52,500
Agent: $ 7,500
Lawyer: $ 12,000
Performing Artist (If in a band of 4), net income each: $ 8250.00