

This man spent \$400,000 making his last album. His record company loves him anyway. He's an exception.

BY HAROLD BRONSON

Gone are the days when the Rolling Stones or Kinks would record an album in one day. Gone too is the time when the Beatles' \$30,000 recording costs were considered outrageously extravagant. Today most experts put the average price of a pop/rock longplayer at close to \$100,000. "I doubt whether any albums in the Top 20 cost less than \$100,000," said Con Merten, studio manager at Cherokee Studios, scene of hit LPs by David Bowie, Steely Dan, and Rod Stewart. "And I would guess that the average cost would probably approach \$150,000." An acceleration of studio expense and related costs has bloated recording budgets to previously unheard-of levels.

Without a doubt the most expensive element in the recording budget is the recording studio. Most fashionable 24-track facilities hover around \$150 an hour (\$50 more in New York City). Why are studios so expensive? Actually, they all aren't — but the preferred, trendy rooms are. George Johnson, whose engineering experience runs the gamut from the cheapest studios to the most deluxe, says that the higher priced outlets are justified: "The \$35 and under class (usually 16-track) lacks good soundproofing, isolation, equipment and experienced engineers. At \$100 and under, the largest category (some 24 track), there's a definite step up in equipment, but no noise reduction. The rest, ranged from \$125, definitely approach state-of-the-art equipment. It's more idiot-proof (against mistakes), there's more equalization (tone control) available, and better monitors. That kind of studio has everything you need to make an album the way you want it."

More professional studios can mean less wasted time and money. Con Merten: "We have excellent engineers, and we provide excellent maintenance — we have technicians on duty 24 hours a day. If, say, you're booking a 30-piece string session and the equipment breaks down, you have to pay those 30 musicians anyway, so it's best if the down time is kept to a few minutes. When Cherokee was a \$50-an-hour studio located at a ranch in suburban Chatsworth, we only had maintenance once a week."

IAM in Irvine, a year-old studio used by Donna Summer, Stevie Wonder and Walt Disney Productions, offers very competitive rates. Even their 40-track (very uncommon, a 16-track machine synched to a 24-track) is only \$155 an hour. Included is a built-in color video system with four automated cameras, and a room that can be "tuned," according to general manager Tom Quick. "The room is made of glass and marble. A sliding glass door and curtains — automated and manipulated from the control room — can be adjusted to regulate the natural reverb." But for an inflated rate of \$250 an hour, the studio provides living accommodations, a sauna, kitchen and staff. Disco band Brick zoomed in on this program for nine days of recording.

The rapid increase of studio costs bothers Gary Katz, Steely Dan's producer and a staff producer for Warner

Brothers. "At one time there was only one prestige/expensive studio in Los Angeles, the Record Plant (where the Eagles, Fleetwood Mac and Moody Blues have recorded), but now it seems all the studios are caught up in the ego competition. They have to have the latest devices to prey on the consumer's gullibility (He mentions the Aphex Aural Exciter as being just one more gimmick). This pushes rates up, the albums cost more, and I have to apologize to the artist because we had to spend so much to make a good record. If you're close to your budget it makes no sense to sacrifice the recording process, you have to go over, you don't cut corners." And there's no end in sight. Those studio managers surveyed foresee the continual evolution of studio equipment and the accompanying surge in rates.

Fees commanded by musicians have increased as well. A three-hour session earns a musician at least \$121 union scale, with many skilled virtuosos receiving double, and sometimes even triple, that amount. Over the span of weeks, or even months, this adds up.

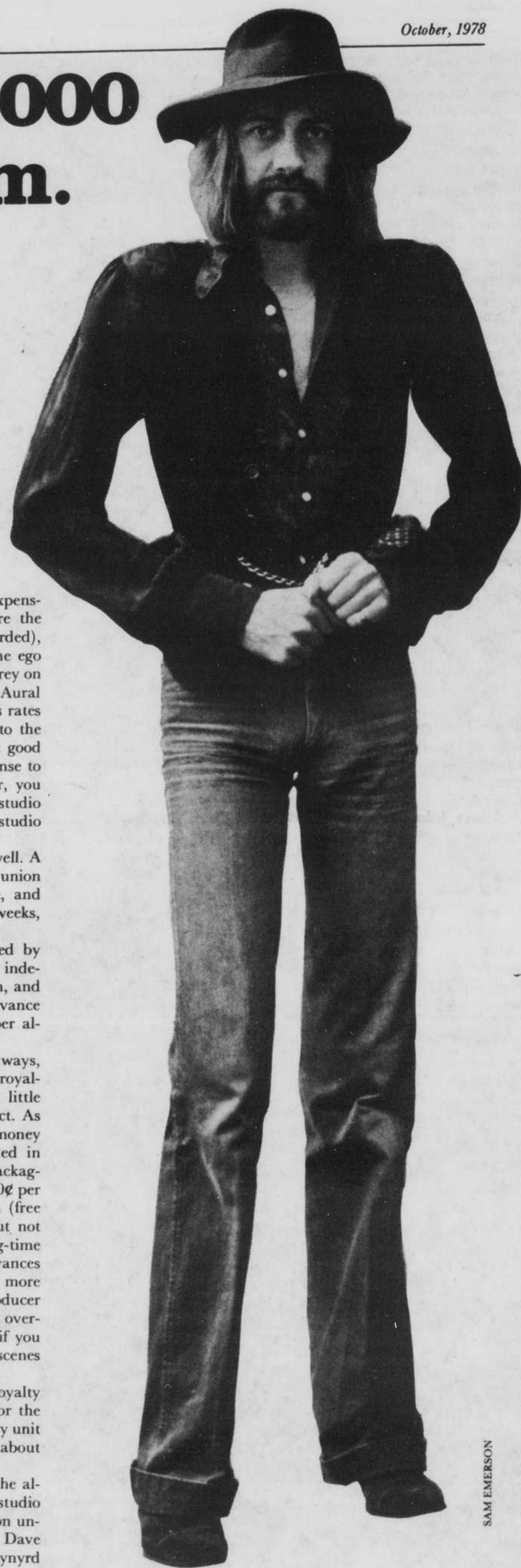
While record company staff producers are salaried by their label and collect bonuses and royalties, famous independent producers like Richard Perry, George Martin, and Roy Thomas Baker are requiring greater sums in advance than ever before. The average range is \$20-30,000 per album, but a handful get \$50,000.

Payment to producers is computed in any of several ways, according to Fern Cranston, Warner Bros.' director of royalties and licensing. An inexperienced producer, with little clout, may receive a flat fee of \$10-15,000 per project. As experience and power increases, though, so does the money — dramatically. Most producers' fees are computed in "points," or percentage of an album's list price less packaging costs. A typical three point contract comes out to 20¢ per album sold, or \$90,000 royalties on a "gold" album (free promotional albums are counted for certification, but not when computing royalties). Advance payments to big-time producers like Richard Perry or Peter Asher are advances against these points. If the record sells well, much more money can be made. If the record doesn't sell, the producer still gets his fee. While some are forced to pay for over-budget expenses incurred, many aren't. Nice work, if you can get it — and an increasing number of behind-the-scenes superstars can.

Adding to the possible income of a producer is a royalty scale based on a "plateau" system — three points for the first, say, quarter million sold, with four points for every unit thereafter. That extra point brings the payment up to about 28¢ per album, and the arrangement is common.

One might think that the "live" album would be the alternative to the arduous and expensive recording studio process. With *Frampton Comes Alive* selling seven million units, the era of the successful live double album arrived. Dave Mason followed, with a similar package, as did Lynyrd Skynyrd and others. The shock waves are still felt with recent live double-efforts by Little Feat, the Outlaws, and the Ozark Mountain Daredevils.

"Live albums are generally cheaper, but can be expensive if lots of dates are recorded," said Kip Cohen, A&M's vice president of artists and repertoire. "Rarely is the decision to



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release a live album an economic one. The time was right for Frampton because he had been touring so extensively." Frampton's followup studio LP only sold a fourth as much as its predecessor. An experiment, A&M's Nils Lofgren's *Live Bootleg*, which cost maybe \$2,000 and was released to