



# Taking the Pulse

## Musicians and health insurance

### Executive Summary

May 27, 2010

In March 2010, Future of Music Coalition conducted an online survey to gauge the level of health insurance among musicians. The survey found that, of the 1,451 respondents, **33 percent said they do not have health insurance**. This is nearly twice the national average of 17 percent uninsured, as estimated by the Kaiser Family Foundation.

The survey data suggests that cost and lack of awareness leave many musicians uninsured. 86 percent of survey respondents who don't have coverage say it's because they can't afford it, but in advising musicians through our Health Insurance Navigation Tool (HINT) program, FMC has discovered that some musicians who think they can't afford coverage may not be fully aware of all the public and private health insurance options available to them.

The results also underscore the structural barriers that musicians face in navigating a health insurance system that's largely based on employer-provided coverage. Musicians and artists often work on a freelance basis — performing or composing for specific events, albums or projects — with compensation based on a contracted arrangement. Since they are usually not employees of any particular institution or corporation, they must seek out individual health insurance policies. Some music organizations, unions and service organizations offer group plans to their members, but the survey data suggests that musicians' awareness of these plans is low, although they would join an organization to get coverage.

This was an opportune moment to gauge musicians' access to health insurance. While FMC was running this survey, Congress passed the Affordable Health Care Act, which instituted a number of new protections, tax credits and safety nets for citizens. But, because of this law, health insurance is no longer an option — by 2014, most Americans will be required to secure coverage.



There is now a new challenge for musicians, advocates, providers and service organizations: educating musicians about the changes in the law, how the new protections affect them on an individual level, and the private plans or public exchanges they can access in order to secure coverage by 2014. FMC sees this report as a clear and timely snapshot of the music community that will give advocates and service organizations some insight into how we can best help musicians navigate this changing health insurance landscape.

## **Survey Methodology**

The Musicians and Health Insurance survey was available online via SurveyMonkey from March 2 – April 7, 2010. 1,451 individuals answered the core question about health insurance, and 1,263 (87 percent) completed the survey.

Our population of study was musicians, but it is difficult to define a “musician” with accuracy; there are no professional qualifications, and no one organization that speaks for the entire community. FMC wanted to make sure we clearly understood the type of musicians answering the survey, so it included a number of questions that attempted to categorize their level of participation in the music industry — the percentage of their time they spent being a musician, the percentage of their income derived from being a musician, number of professional credits on commercial releases and membership in key professional service organizations. During the data analysis phase we filtered out those respondents who answered less than 20 percent for both the time and income questions, and did additional cross-tab and filtering work based on various criteria.

## **Survey Highlights**

### **33 percent of survey respondents did not have health insurance**

- Of the 1,451 respondents, 33 percent said they do not have health insurance. This is nearly twice the national average of 17 percent uninsured, as estimated by the Kaiser Family Foundation.<sup>1</sup>

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<sup>1</sup> “Health Insurance Coverage of the Non-Elderly Population, 2008”, Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of 2009 ASEC Supplement to the CPS.  
<http://facts.kff.org/chart.aspx?ch=1213>

## **Those who spend more time or derive more income from being a musician are less likely to be insured**

- Filtering the data to only include respondents who spend more than 20 percent of their time **and** make more than 20 percent of their income from music (n=798), the number of uninsured jumps up to 36 percent.
- Of the respondents who said they spend 100 percent of their time **and** make 100 percent of their annual income from music (n=245) – respondents who we would call “professional musicians” – 35 percent do not have health insurance.
- The highest percentage of uninsured occurs in the middle, where we assume the respondents are splitting their time between part time jobs and a music career. Of the respondents who spend more than 50 percent of their time **and** make more than 50 percent of their annual income from music (n=604), 38 percent do not have health insurance.

## **Membership matters**

FMC also asked survey respondents whether they were members of any of approximately twenty musician-focused organizations. Respondents were allowed to check multiple answers, or check “none of these.”

805 survey respondents noted that they belonged to at least one organization, with the most prevalent being ASCAP (27 percent), American Composers Forum (24 percent), BMI (17 percent) and AFM (14 percent).

- Of the respondents who were a member of ASCAP, BMI, SESAC or SoundExchange — the US performance rights associations — the number of uninsured dropped to 28 percent.
- Of the respondents who noted they were a member of AFM, AFTRA or AGMA — US based unions — the number of uninsured fell to 25 percent.
- Those who said they were a member of one or more of the professional musician associations (The Recording Academy, Folk Alliance, Just Plain Folks, Songwriters Guild of America, Americana Music Association, Chamber Music America, American Composers Forum, American Music Center, or Meet the

Composer n=453), the number of uninsured decreased to 19 percent.

- Of the musicians who said they were a member of “none of these” organizations (n=429), the number of uninsured jumps to 42 percent.

This indicates that *membership matters*, a point that is underscored by the jump in the level of uninsured among those who belong to no organizations. For some musicians and composers, membership in particular organizations gives them access to group plans at more affordable rates. For others, membership may imply a commitment to music as a career.

### **Of the respondents who did not have health insurance, cost was the biggest factor**

When the uninsured were asked why they didn't have insurance, 86 percent said it was because it was too expensive, while a small percentage cited confusion/not knowing where or how to apply. However, the number of musicians citing cost as a primary factor may also be masking a lack of knowledge about available and affordable plans or state-run assistance programs. FMC has found through our HINT program work that clients who assume that coverage is too expensive are sometimes unaware of some of the affordable options or strategies they may have.

### **Some lack knowledge of existing resources, but are willing to join**

On the 2010 survey we asked, “Do you know about the health insurance plans offered to musicians by the unions (AFTRA, AFM)?” 76 percent of respondents (insured and uninsured) were unaware of these plans. However, 45 percent of respondents said they would join a PRO or musician organization in order to get health insurance coverage. As we navigate this new health insurance landscape with mandated coverage by 2014, connecting health insurance coverage to membership may be useful strategy in getting more musicians covered.

### **Those who are insured rely on private plans**

Of those who responded that they do have insurance (n=957), 29 percent are on an employer plan, while 29 percent are paying for it themselves. The number of musicians paying for a private insurance plan is much higher than the percentage of the general

public on private plans, which the Kaiser Commission on Medicaid and the Uninsured/Urban Institute estimates is at 5 percent.<sup>2</sup>

Despite the high numbers, the fact that musicians are more likely to be insured privately is to be expected, given their role as freelance artistic agents. It's also an indication of the structural challenges associated with the broader American health care landscape, through which health insurance is primarily connected to a person's employer. Sole proprietors, the self-employed, contracted labor and individuals who work for very small firms often fall outside of this structure, leaving them to seek health insurance solutions on their own.

### **Serving Musicians in a Changing Environment**

The next three years will be particularly critical for musicians, as it will be mandatory for individuals to have health insurance by 2014. And, given the survey results, approximately one third of the musician population is currently uninsured.

The survey suggests that, while cost is a significant barrier, musicians' awareness about plans, options and strategies for obtaining coverage are also factors. As the components of health care reform are enacted, advocates, artist managers, service organizations and associations will need to educate musicians about the changes in the law, how the new protections affect them on an individual level, and the private plans or public exchanges they can access in order to secure coverage by 2014.

In a perfect world, there would be no more benefit shows for ailing musicians, and no more need for HINT. Meaningful health insurance reform is crucial to all Americans, including musicians, and FMC fully supports reforms that ensure that artists can obtain affordable plans with good coverage, regardless of their age, gender, employment status, location or pre-existing condition. As the new health care landscape takes shape, FMC is committed to working with the unions, associations and service organizations to ensure that musicians have the information they need to make informed decisions about their health insurance options, while devising workable solutions that benefit those artists whose creativity enriches every aspect of our lives.

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<sup>2</sup> "Health Insurance Coverage in the U.S., 2008", Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of March 2009 CPS. <http://facts.kff.org/chart.aspx?ch=477>