

# David Bowie, Media Economist

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How Bowie's predictions of the digital media revolution reshaped music, books, and journalism.



AP Photo/Nils Meilvang, Nordfoto

Rock legend David Bowie performs on stage at Forum, in Copenhagen, Denmark, Tuesday, October 7, 2003.

**D**avid Bowie's death evoked a tsunami of appreciation for his talents as musician, performer, songwriter, actor, and style icon. But no one, so far, has celebrated his genius as armchair economist of the media industries.

They should. Bowie's insights into the impact of technology on his own field proved prescient not only for music, but for journalism, books, and other media industries.

In June 2002—not even a full year after Apple launched the iPod—the Thin White Duke was already preparing for a future of streaming media. “Music itself is going to become like running water or electricity,” he told Jon Pareles of *The New York Times* that year. “You’d better be prepared for doing a lot of touring because that’s really the only unique situation that’s going to be left.” Years before most musicians, let alone economists, understood the full implications of music piracy and streaming content, Bowie saw that profit depends on “unique situations,” or what economists call “excludable goods”—things you have to pay to enjoy. Post-internet, songs were no longer excludable.

But concerts, *by definition*, exclude people (at least, as long as bouncers and ticket takers do their job). Bowie, seeing the growing importance of touring, changed his revenue model. He reneged on his vow to stop playing his old hits on stage and he sold \$55 million of “Bowie bonds,” parlaying his success in mass culture into an early incarnation of crowdfunding.

Bowie’s foresight led Princeton economist Alan Krueger to coin the term “Bowie economics” in a 2005 paper, in which he explained the rise in concert revenue. Bands, he argued, would keep ticket prices low as long as they promoted hefty record sales. So when recorded music revenues slid, prices for concert tickets—the excludable version of music—skyrocketed.

Bowie and Krueger were more right than they knew. In the decade following iTunes’ introduction, recorded music revenues plunged by 40 percent, while live performance income increased some 300 percent. What neither predicted was that these same forces would similarly reshape the business models of journalism and other forms of publishing.

Now that news, for example, has become like “running water,” media organizations, too, have sought Bowie’s “unique situation,” turning the formerly peripheral activity of event production into a major moneymaker. *The Wall Street Journal*, inspired by Walt Mossberg’s profitable D conferences, created a conference division which earned more than \$10 million in 2013. That same year, the fledgling *Texas Tribune* earned some 20 percent of its revenue from live events and conferences. Meanwhile, *The New York Times*’ leaked innovation report in 2014 argued that the *Times*, like *The Atlantic* and *The New Yorker*, should create an ideas festival, and beef up their conference offerings. In just the past few years, live events have suddenly joined subscriptions and advertising as the three financial pillars of journalism. Books, publishing, and the profession of author are transforming too, as e-readers and streaming services like Kindle Unlimited make books ubiquitous, and self-

publishing connects writers and readers directly. Even video games are experiencing a growth in live performance, as professional e-sports tournaments fill stadiums with live viewers.

As Bowie economics spread wherever streaming media lets cheap content run like water, we will continue to see the rise of live events and other new excludable products. For journalists and other media workers, this raises both practical and ethical questions. What qualities does a successful reporter or writer need now? Not just reporting chops, but stage presence? (This has long been true in TV, of course, but print offered a safe haven for more retiring types). And what does it mean for concepts like journalistic distance when sources, journalists, sponsors, and readers all literally sit at the same table, during a conference lunch? "Time may change me," Bowie sang ... but will it change the *Times*?

Perhaps most critically, Bowie understood that social media would change relationships between creators and audience. No longer could his artistic judgment bring him economic security: "I started thinking, well, if you want an audience, David, you may want to considering putting some songs into your sets that they've actually heard," he admitted.

In media, too, relationships with readers are already changing. Who has the authority to tell a story, what's considered newsworthy, what's on the screen, the stage. In some cases, a loyal following for a particular event, excludable goods—events, newsletters, fundraising cruises like the *Nature*—and authors are also monetizing their audience and building closer relationships with readers: In April, for instance, thousands of romance readers and writers will gather in Las Vegas at the weeklong Romantic Times conference. Some self-published romance authors host reader weekends at the sites of their best-selling series. These connections are creating a new kind of star.

Bowie was a superstar on the order of his own Ziggy Stardust, and yet at the dawn of the social media era, he already saw the end of that kind of mega-stardom. For Bowie, age simulated the landscape that today's fragmented media offers to new musicians. "You're not going to get played on radio and you're not going to get played on television," he observed of his later career. Like the next generation of creators, he said, "I have to survive on word of mouth." He saw even then that the next generation of creators, he said, "I have to survive on word of mouth." He saw even then that the next generation of creators, he said, "I have to survive on word of mouth."



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those who bought his Bowie bonds, would provide new sources of income to creators.



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Ultimately, David Bowie's economic insights reached beyond the world of music and creative labor, to the professional lives of many other kinds of knowledge workers, from consultants to technologists to professors. As our own professional lives are lived increasingly on Facebook or LinkedIn or Twitter, and as we are paid not for our words and books and stories or products, but for our performances and relationships, we all may need to be a little bit more Bowie. Ready to reinvent, to call on those who believe in us, to experiment, and embrace new kinds of stardom. As he saw then and as media workers know now, the (super)stars look very different today. The way we choose to navigate that fact will determine the quality of media products in the future.

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