

Understanding Florida Entertainment Contract Law: Management Contracts

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This issue of the “Understanding Florida Entertainment Contract Law” series discusses management contracts. At some point during your entertainment career, you may find it beneficial work with a personal manager. The personal manager is an individual will work on your behalf with people you are interested in working with. They can give you guidance on your image, sound, arranging transportation to gigs, etc.

One of the common questions asked regarding management contracts is “What is the average commission for managers.” Managers, on average, receive 15%-25% of the gross income earned by the entertainer resulting from their entertainment endeavors. An example of this is income that a band mage from a concert. Because the concert is entertainment or entertainment related, the income of is ripe for the commission to be taken from it. An example where a manager might not receive a commission from the income would be when their entertainer client received an inheritance from their grandfather. Since the inheritance is not considered entertainment related, the manager is not likely to earn a commission from it.

The term limits of management contracts can vary depending on the desires of the parties involved. They will have a time frame in which the manager will receive a commission for their work done during the term. It is not uncommon for a management to give the manager a specific commission for a limited time frame after the contract has ended. These contract provisions are often referred to as sunset provisions. An example of a contract provisions would be that the manager would receive 10% commission for any gross income earned for two years after the original time frame of the contract. Then for two years following the previous 10% commission, the manager will only receive 7%, ending with the manager earning 2.5% commission for an additional year.

As you can see, there are a lot of concerns when reviewing a management contract. These areas discussed are just the tip of the iceberg. It is the job of an entertainment attorney to review every detail of these types of contracts to determine if your contract is in your best interest.