Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Lesson 1.1: Comparative Statistics in the Music Industry***

The RIAA (Recording Industry Association of America) provides the most comprehensive data on U.S. recorded music revenues and shipments dating from 1973. The RIAA is the most definitive source of revenue data for the industry. You have been given charts from the RIAA’s website <https://www.riaa.com/u-s-sales-database/> that will allow us to compare music sales from 1996, 1999, 2006, and 2011. For this exercise, we will focus on the CD sales in each year. You should use a PENCIL and show all of your work. You will need a calculator for this exercise.

**Step 1: Calculate percentage of revenue that comes from CD sales**

1. What percentage of revenue came from CD sales in 1996? Show all of your work below.

Percentage of revenue from CD sales in 1996

2. What percentage of revenue came from CD sales in 1999? Show all of your work below.

Percentage of revenue from CD sales in 1999.

3. What percentage of revenue came from CD sales in 2006? Show all of your work below.

Percentage of revenue from CD sales in 2006

4. What percentage of revenue came from CD sales in 2011? Show all of your work below.

Percentage of revenue from CD sales in 2011

\*CHECK YOUR PERCENTAGES WITH MRS. SCHENKEL BEFORE MOVING FORWARD\*

**Step 2: Compare percentages of revenue coming from CD sales in different time intervals using comparative statistics learned in lesson 1.1**

1. Compare 1996 to 1999

|  |  |  |
| --- | --- | --- |
| **Percentage in 1996:** | | |
| **Percentage in 1999:** | | |
| **Statistic Type** | **Work** | **Answer** |
| **Subtraction** |  |  |
| **Division** |  |  |
| **Percent Change** |  |  |

-Which comparative statistic would you use if you wanted to make revenue from CD sales look as large as possible?

-Write a sentence as if it were to appear in a newspaper using the statistic noted above.

2. Compare 1999 to 2006

|  |  |  |
| --- | --- | --- |
| **Percentage in 1999:** | | |
| **Percentage in 2006:** | | |
| **Statistic Type** | **Work** | **Answer** |
| **Subtraction** |  |  |
| **Division** |  |  |
| **Percent Change** |  |  |

-Why is the Subtraction and Percent Change statistic negative?

- Calculate the Division Statistic – the Percent Change Statistic. What do you get? Does this surprise you?

-Pretend you are a music producer in 2006 that solely produces CDs. Which statistic would you present to your boss in order to calm him/her down about CD sales declining?

3. Compare 2006 to 2011

|  |  |  |
| --- | --- | --- |
| **Percentage in 2006:** | | |
| **Percentage in 2011:** | | |
| **Statistic Type** | **Work** | **Answer** |
| **Subtraction** |  |  |
| **Division** |  |  |
| **Percent Change** |  |  |

-Why is the Subtraction and Percent Change statistic negative?

- Calculate the Division Statistic – the Percent Change Statistic. What do you get? Does this surprise you?

-Pretend you’re the music producer who is still dependent on CD sales in 2011. Is there anyway to calm your boss down now?

4. Compare 1996 to 2006

|  |  |  |
| --- | --- | --- |
| **Percentage in 1996:** | | |
| **Percentage in 2006:** | | |
| **Statistic Type** | **Work** | **Answer** |
| **Subtraction** |  |  |
| **Division** |  |  |
| **Percent Change** |  |  |

-Does comparing 1996 to 2006 give an accurate statistic of what happened in the 10 year span?

-Can you think of a scenario by which somebody would specifically choose to use these comparative statistics?

5. Compare 1999 to 2011

|  |  |  |
| --- | --- | --- |
| **Percentage in 1999:** | | |
| **Percentage in 2011:** | | |
| **Statistic Type** | **Work** | **Answer** |
| **Subtraction** |  |  |
| **Division** |  |  |
| **Percent Change** |  |  |

-Let’s pretend you are a music producer trying to implore your company to ditch CD production and explore other avenues of revenue in the music business. What statistics would you use in a presentation to the board of your company? Write a paragraph making your pitch.

**Step 3: The Real World**

Think about what you know about the music industry. Why have CD sales declined since 1999? What happened that changed the way music is distributed in the United States?