

# Spotify's sparse spending of \$100 million equity fund draws concern

Article

**The news:** Spotify's \$100 million Creator Equity Fund designed to support music and content projects from underrepresented communities has spent less than 10% on such initiatives in its first year, according to [Bloomberg](#) reporting.

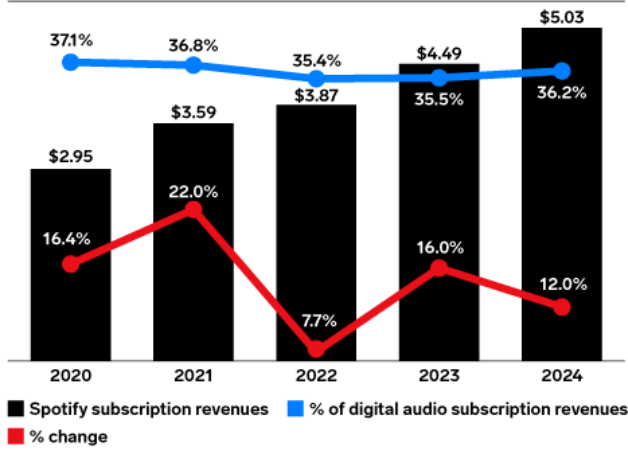
- The fund was founded last year in response to a wave of criticism against the platform's top podcaster **Joe Rogan** after videos of him saying racial slurs went viral online. Rogan had also been widely criticized for spreading COVID-19 vaccine disinformation.

**Starting slow:** The Creator Equity Fund was announced with the intent of creating and licensing content from underrepresented or minority groups. There have been a handful of major investments, but much of the money is sitting unused.

- Bloomberg's report also said union workers at Spotify's **Parcast** network noted sparse spending for a different fund with similar intentions. Workers wrote management earlier this year saying the company "had approved just \$5,000 in spending" over the past year of \$100,000 earmarked for yearly diversity, equity, inclusion, and accessibility work, the outlet reported.
- It's not like Spotify hasn't been focusing on creators. Many of its major product launches and acquisitions in the last year have sought to reduce barriers to creating and putting content up on Spotify, which as recently as [this month](#) launched new tools for creators.
- While the Creator Equity fund isn't exactly like past creator payment funds on platforms such as **TikTok** or **YouTube**, it is another example of the opaque payout and investment policies that have forced such funds to be largely abandoned in favor of revenue-sharing models.
- Spotify isn't alone in appearing to slack off on diversity initiatives. Diversity, equity, and inclusion efforts and jobs [took harsh cuts](#) as companies slashed costs in the softening economy.

**Our take:** Spotify may want to cut back on spending with interest rates on the rise, but the \$100 million it's apparently already set aside for diverse content should be put to use. More than just being used, Spotify should lend long-term support to projects in which it invests; saturation of the podcast market has made it harder for new shows to find an audience.

**US Spotify Subscription Revenues, 2020-2024**  
 billions, % change, and % of digital audio subscription revenues



Note: includes revenues from paid audio subscriptions and limited tier paid audio subscriptions  
 Source: eMarketer, Dec 2022