

## **Michael Jackson's Legacy: It Could be a Thriller!**

**By Robb Musgrave**

Michael Jackson was one of the most famous people on Earth and also one of the most famously broke. Many who crossed paths with the performer in the final years of his life - Business Advisers and Lawyers accused him of skipping out on bills. At one point Jackson came within days of losing *Neverland Ranch* to a foreclosure auction last year, and he died owing more than \$400 million to various financial institutions.

According to Dr Robb Musgrave, a Brisbane based legacy planner and philanthropic adviser, Jackson was an enigmatic performer and public personality but Jackson, *the person*, valued privacy, was a complex personality, troubled and insecure. His legacy will be discussed and debated for many years to come.

Dr Musgrave explains, "Michael Jackson was a very different person, his life was lived with enormous conflicts which most of us would find difficult to reconcile and endure. To my mind, he was unsure of whether he was more adult or more child, whether he was more man or woman, and really neither black nor white, a musical genius and extremely weird.

The reality is Jackson's assets outweigh his debts by at least \$200 million, according to people knowledgeable about his business holdings. Determining a precise figure is difficult, given the complexities of his finances. But his Legacy is so much more than his financial position.

### **The Jackson Financial Legacy**

His wealth position does not include his posthumous earning power, which seems immense based on the enormous public appetite for his music and memorabilia in recent days. Moreover, his death removed the biggest drain on Jackson's finances: his legendary spending. Who will control his estate's great existing wealth and the massive fortune that licensing his name, recordings and likeness may bring, is at the heart of the matter, with different wills currently under scrutiny.

The need for control is as plain as Jackson's distinctive face on numerous memorial T-shirts and commemorative plates being hawked around the world. Images of the pop icon would appear to be the intellectual property of his estate, but no one is empowered to crack down on unlicensed vendors or collect fees. The executors, leading entertainment attorney John Branca and veteran music executive John McClain, have urged for another pressing matter to be resolved, the issues related to Jackson's canceled comeback concerts.

The executors will be running an estate for Jackson's children and other beneficiaries including Katherine Jackson, his mother. The 2002 will transfer his property into the Michael Jackson Family Trust. People familiar with the trust said that under its terms, 40% of Jackson's assets go to his children, another 40% to his mother and the remaining 20% to charities working with children.

Jackson's most valuable asset is his 50% share in the Sony-ATV Music Publishing catalog, which people with knowledge of the partnership value at between \$1.5 billion and \$2 billion. The partnership itself has about \$600 million in debt, one person said. In what is recognized as the shrewdest business move of his career, the singer bought the catalog in 1985 for \$47.5 million. Earlier this decade, he borrowed \$300 million against the catalog. That puts the value of Jackson's share at between \$150 million and \$400 million according to the LA Times.

The Beatles catalog includes music written by John Lennon and Paul McCartney. Sony-ATV administers nearly all of the Beatles' greatest hits. The Sony-ATV catalog is going to be exploited forever, and it's probably the premium catalog in the world." The catalog generated between \$13 million and \$20 million for Jackson annually, said people close to Jackson.

A second catalog, Mijac Music Publishing, includes Jackson's music as a solo artist as well as songs by other acts, including Ray Charles. People close to Jackson estimated its worth at about \$100 million, but it is difficult to place a current value on it because of the tremendous sales of Jackson's music in the days since he died. Last week, Jackson albums occupied nine of the top 10 positions on Billboard magazine's Top Pop Catalog chart. Eight were solo recordings. The week before his death, Jackson sold 48,000 digital downloads.

Jackson's estate will assume control over his master recordings at some point in the next few years and could potentially distribute its own *Greatest Hits* CDs and DVDs. Also in the entertainer's portfolio is a profit-sharing agreement with Colony Capital, the private equity firm that bought the note on *Neverland Ranch* when Jackson defaulted on payment of a \$24.5 million loan. The terms of the agreement are not clear. Nor is the future of the 2,600 acre Santa Barbara County ranch, which could sell for a reported \$70 million to \$90 million. Tom Barrack, Colony's chairman and chief executive, called *Neverland* a "Hope Diamond" and told *The Times* the current focus is on restoring the property. "The burden we have is to provide stewardship to this timeless asset and an elegant and timely transition," Barrack said.

The estates of two other music legends -- Frank Sinatra and Elvis Presley provide Jackson's heirs with a template for what could be decades of substantial earnings from commercial endorsements and licensing agreements. Last year, Sinatra's estate signed a contract with Warner Music Group to explore projects including a Sinatra-branded casino, a restaurant chain and the use of his image to market luxury goods.

Presley's estate struggled to pay the bills at *Graceland* after his death but eventually became a model of how to monetize and protect a celebrity's legacy. Those endeavours range from memorabilia to feature films. Lisa Marie Presley, Presley's daughter and Jackson's former wife, controls 15% of Elvis Presley Enterprises and an entertainment rights company, CKX Inc., owns the rest. CKX made about \$55 million in revenue last year from Elvis Presley Enterprises.

Jerry Schilling, former creative affairs director of Elvis Presley Enterprises, said Jackson is comparable to Presley in terms of breadth of recordings and global popularity. "There are a lot of creative potential projects. Given the size of Michael Jackson's body of work, that could go on forever if it is done properly and with the right people," Schilling said.

### **The Jackson Personal Legacy**

When you think of Michael Jackson you immediately think of the music and the enjoyment he gave countless millions of people over a long time. The music will stand as a testament to the skills he had as a craftsman and wordsmith of the highest order in popular music.

As well are the memories of the many individuals who saw the development and growth of an ultimate performer from a youth of 8 or was it 10, to the maturation as a consummate performer. Then followed the period in the wilderness, where he did not perform and his actions were under intense legal and media interest. No one knows whether he would have been able to resurrect his self-proclaimed status as the "King of Pop".

The other identifiable components of his legacy are the film clips and DVD,s featuring his inimitable style. Of less importance but still relevant to the family and the heirs are the media reports on his strange behaviors and associated carryings on. If these have been discussed or accepted by those close to him then his personal legacy will be strongly reinforced.

For the rest of us who do not understand his behavior, the result is uneasiness and concern for his mental state. Though he was never convincing in his role and record promotion of being "Bad", to many he will be remembered for just being totally weird, or as the media construed, "Wacko Jacko". Perhaps those who want a positive legacy will prefer to remember these as attention seeking behaviors for the media benefit to sell even more product.

Usually the personal legacy of an individual is built from their personal values, what they believe is important to them. Everyone who is loved by someone leaves a legacy in some form and these are often relatable to the individual's personal values. It would appear that truth was not a highly considered value by Jackson, as he continually denied behaviors that were plainly apparent, almost as plain as the nose

on his face. A self-disclosed victim of family abuse, he worked to make sure his personal experiences were known so that others could benefit. This is a strong indicator of a deeper character.

### **The Jackson Social Legacy**

There can be no mistake that Michael Jackson left a wonderful legacy of giving and giving back to the society that had allowed him great success. He lived his life working to show that you can make a difference in the lives of others.

The Millennium Issue of the *Guinness Book of Records* names Michael as the “Pop Star who supports the most charity organizations” and as the star who gave the most to charity during his life. Some of the major gifts provided by Michael are:

In 1984, Jackson equipped a 19 bed unit at Mount Senai, New York Medical Center for leukemia and cancer research. Later in the year, he visited the Brotman Memorial Hospital, where he had been treated when badly burned producing a Pepsi commercial. He donated all the \$1.5 million compensation payout he received from Pepsi to the *Michael Jackson Burn Centre for Children*.

Michael Jackson wrote *We Are the World* with Lionel Ritchie in 1985 and performed it as part of an all-star single to raise money for Africa in 1985.

In 1986, he set up the *Michael Jackson United Negro College Fund Endowed Scholarship Fund*. This \$1.5 million fund is aimed towards students majoring in performance art and communications, with money given each year to students attending a UNCF member college or university.

He donated the proceeds from the sales of *The Man in the Mirror* to *Camp Ronald McDonald for Good Times*, a camp for children who suffer from cancer.

Jackson donated tickets to shows in his 1989 *Bad* Tour to underprivileged children. The proceeds from one of his shows in Los Angeles were donated to *Childhelp USA*, the biggest charity-organization against child-abuse. *Childhelp* of Southern California then established the *Michael Jackson International Institute for Research on Child Abuse*.

In 1992, he established the *Heal the World Foundation*, whose work has included airlifting 6 tons of supplies to Sarajevo, instituting drug and alcohol abuse education and donating millions of dollars to less fortunate children.

## Summary

Though Michael Jackson has been more renowned for his anti-social behaviors over the past 15 years or so, his accomplishments during the 1980s will always remain some of the most impressive in music history. For better or worse, Jackson came to define what it meant to be a star in the modern world, and it can certainly never be said that his public life has ever been boring. That statement remained eerily true all the way up to Jackson's unexpected death on June 25, 2009 in Los Angeles. Time will determine the full extent of his legacy and life purpose. It is sure that he will be remembered well past his own lifetime.

His music stands as his legacy, as do his efforts to improve the lives of millions of people throughout the world. Yes, his lifestyle was erratic, but who knows how much of this was publicity hype and how much was real. Yes, his family situation could well have been better but I am sure that he would feel that he had come to terms with “the man in the mirror” and would feel he had achieved a fair result, he had made a difference to benefit others while he was alive.

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