A survey of authors' earnings

WHAT ARE WORDS WORTH NOW?

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In 2013, the Authors’ Licensing & Collecting Society (ALCS) commissioned Queen Mary, University of London, to conduct some independent research into authors’ earnings in the UK today.

Writers exist in a great many guises and the common perception of the ‘typical’ author is often far from the everyday realities of the profession.

This research aimed to seek the truth about authors’ earnings and update our previous research *What are Words Worth?* published in 2007.

We asked all types of ‘writer’ to fill in this survey, including members of ALCS, the Society of Authors, the Writers’ Guild of Great Britain and the National Union of Journalists.

Some of the participants are full-time writers, some are part-time and others have another profession.

All their views were valuable to us and taken into account in painting an accurate picture of the ways in which authors earn their money from writing today.
The world of the professional author

For the majority of people, their ‘profession’ and the way that they earn money are one and the same thing. For writers however this is increasingly often not the case.

In 2005, 40% of authors earned their income solely from writing. By 2013, this had dropped to just 11.5%.

If unchecked, this rapid decline in the number of full-time writers could have serious implications for the breadth and quality of content that drives the economic success of our creative industries in the UK.

Whilst the amount of money authors are earning from digital publishing has increased, overall, the survey found that authors’ incomes are falling in real terms.

The average incomes earned by both professional authors and all writers have dropped significantly.

Digital opportunities may be out there but authors are yet to receive the full financial benefits of this growing sector.

Show me the money

The typical (median) incomes of professional authors

There has been a drop in the typical income from writing of professional authors of 29% in real terms since 2005.

Joseph Rowntree Foundation (JRF) figures published in 2013 show that single people in the UK need to earn at least £16,850 before tax to achieve a Minimum Income Standard (MIS), the income level considered to be a socially acceptable standard of living.

Given that typical earnings from writing as a profession fall far below that standard, it is not surprising that the number of full-time writers is also declining sharply.

The creative ‘industry’

In contrast to the decline in earnings of professional authors, the wealth generated by the UK creative industries is on the increase. Statistics produced by the Department of Culture, Media and Sport in 2014 show that the creative industries are now worth £71.4 billion per year to the UK economy (over £8 million per hour) and the UK is reported as having “the largest creative sector of the European Union”.

Moreover, according to UNESCO the UK is, in absolute terms, the most successful exporter of cultural goods and services in the world.
Earnings of ‘all writers’

A striking 13-year comparison of writers’ earnings can be seen in this illustration of the level of income for ‘all writers’.

The bigger picture

Where the money is - the digital impact

Writers are still making most money from printed books but digital publishing is on the rise. In the 2007 ALCS study, *What are words worth?*, only a small proportion of writers had received any money from digital publications.

Digital publishing is now the third-largest sector in terms of financial importance to writers.

The typical (median) income of ‘all writers’

The figures show a drop in both absolute and real terms since 2000. The average earnings of ‘all writers’ have fallen in real terms by 28% since 2000 and 19% since 2005.

2013
£4,000
2005
£5,012
2000
£6,333

Real terms earnings
Actual earnings

What are words worth now?
The data reported in this survey relates to the financial year 2012/13.

What are words worth?
In 2007 ALCS published *What are words worth?*, independent research carried out by Bournemouth University. The research looked at authors’ earnings from the financial year 2004/5. Where data from 2005 is cited, this is the research to which it refers.

Society of Authors’ research into authors’ earnings
In 2000, the Society of Authors carried out research into authors’ earnings. Where the year 2000 is indicated, this is the research to which it refers.
Contracts and rights

Over 69% of respondents said their contracts allowed them to retain copyright all or most of the time. The sector where retaining copyright was most prevalent (with 91% of authors retaining copyright in the majority of their contracts) was adult fiction.

The sectors where copyright assignment (when copyright is transferred to the producer/publisher) is most common are audio-visual and academic writing, though the majority of writers in these sectors still retain copyright most of the time.

Retaining copyright puts authors in a much stronger position in terms of negotiating where and how their works can be used. The best contracts clearly set out which rights authors are retaining or transferring.

It is becoming increasingly important for writers to prove their ownership of rights in their works in order to secure key sources of income.

It pays to read the small print

57% of respondents had signed contracts that included a ‘rights reversion’ clause.

Of these respondents, 38% had used or relied on the reversion clause - 70% of whom went on to earn more money from the work in question.
Self-publishing is becoming an increasingly successful venture for writers.

Just over 25% of writers have self-published a work, with a typical return on their investment of 40%.

Unsurprisingly, 86% of those who had self-published said they would do so again.

Adapt and survive

The UK creative industries are a proven world-leading success story, punching well above their weight internationally.

However, these are concerning times for writers.

Digital use earnings are going up but overall incomes are coming down and the proportion of professional authors who earn a living solely from writing has fallen from 40% to just 11.5%.

For writers to continue making their irreplaceable contribution to the UK economy, they need to receive fair remuneration for their work.

This means ensuring clear, fair contracts with equitable terms and a copyright regime that supports creators and their ability to earn a living from their creations.