



What are words worth?

Counting the cost of a writing career in
the 21st Century: a survey of 25,000 writers

protecting
and promoting
authors' rights

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Introduction

In 2005 the Authors' Licensing & Collecting Society (ALCS) commissioned a comparative study on authors' earnings from the Centre for Intellectual Property Policy & Management (CIPPM), Bournemouth University. The research was led by Professor Martin Kretschmer and Professor Philip Hardwick.

The aim was to produce a set of independently validated evidence on authors' earnings. A large scale questionnaire was carried out which covered professional profiles, sources of earnings, contracts and Internet issues in the UK and Germany. ALCS contractually agreed to uphold the independence of this survey.

The study is the largest of its kind and the first that systematically sets authors' income into a context of earnings data available for other professions and in other countries. It is also the first that was able to control the results against collecting society payments, as well as tax, insurance and earnings data held by government statistical offices.

This booklet provides an overview of the main findings of the research; the full report will be available for download from our website (www.alcs.co.uk).

“The typical income for a professional author is one third below the national average wage”

Methodology

In Spring 2006, 25,000 questionnaires were sent to the Ordinary Members of ALCS and to the members of two professional bodies in Germany (Verband deutscher Schriftsteller VS^{II}; Verband der Drehbuchautoren VDD^{III}), asking for data for the past tax year (UK 2004-05; Germany 2005). Response rates were 6.8% (UK) and 4.5% (Germany), a robust basis for statistical analysis. (Statistical terms are defined in the Appendix.)

The UK responses revealed a considerable proportion of writers who defined themselves primarily as academics, teachers, or other professionals (e.g. curator, consultant), while these profiles were less present within the German sample which is dominated by professional authors. This is due to the different sample characteristics of ALCS, VS and VDD, not to differences in the general

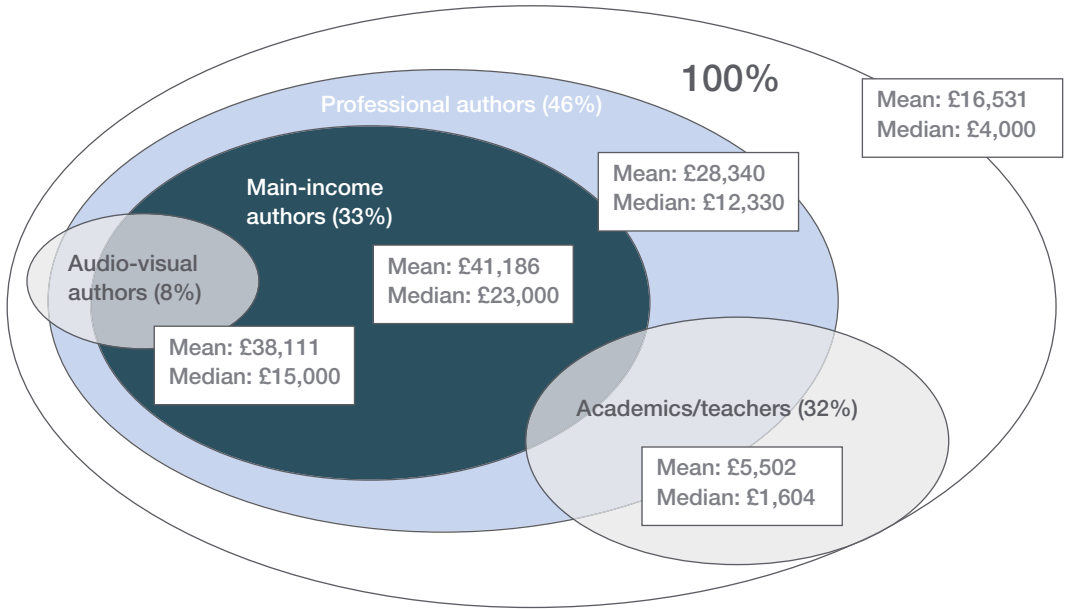
population of authors. Cross-country comparisons therefore have been qualified with reference to sub-samples.

Three categories were defined:

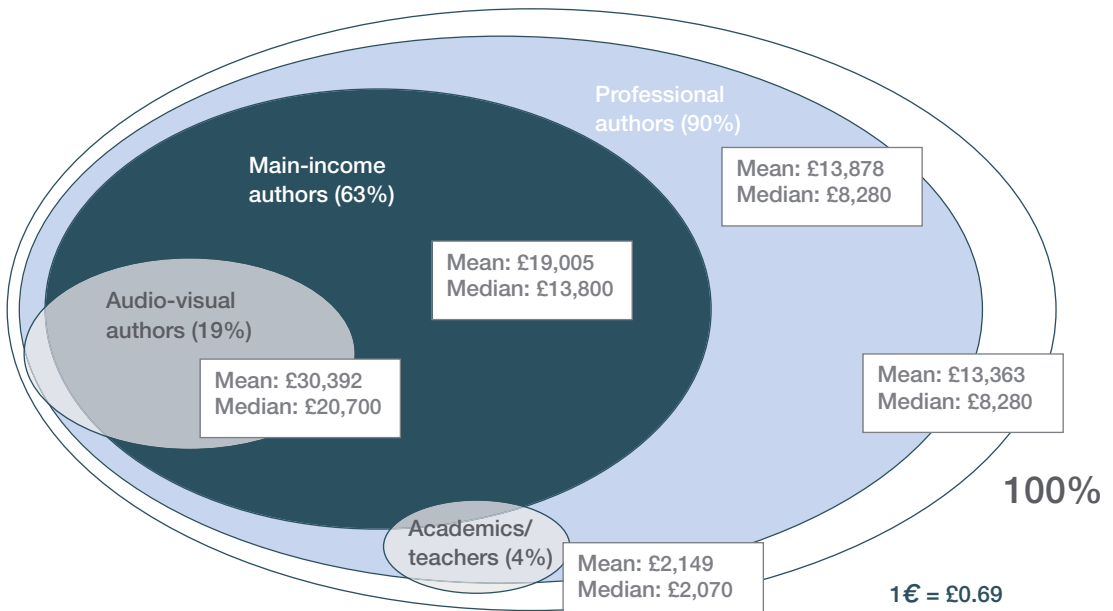
- (a) professional authors allocate more than 50% of their time to writing
- (b) main-income authors earn more than 50% of their total individual income from writing
- (c) audio-visual authors work mainly in TV, Film, Radio and Internet media

The following two graphs illustrate the population characteristics of the UK and German samples

UK Authors: earnings from writing (2004-05)
 Sample – membership of collecting society (ALCS)



German Authors: earnings from writing (2005)
 Sample – membership of professional body (VS, VDD)



Findings

The key findings of the research are as follows:

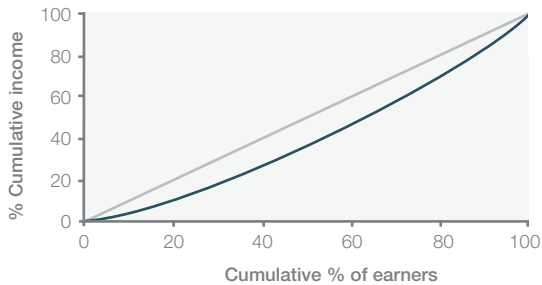
Risk and reward

Writing is shown to be a very risky profession with median earnings of less than one quarter of the typical wage of a UK employee. There is significant inequality within the profession, as indicated by very high Gini Coefficients. The top 10% of authors earn more than 50% of total income, while the bottom 50% earn less than 10% of total income. This may be compared with, for example, employees in the skilled metal and

electrical trades – one of the more equal professions. Here the bottom 50% earn nearly 40% of total income. Cultural markets are winner-take-all markets, both in Germany and the UK. Bench-marking the results against the Society of Authors survey, reported in 2000, appears to indicate that the earnings of a typical writer are deteriorating in real terms.

“The earnings of a typical writer are deteriorating in real terms”

Table 1: Annual earnings in skilled metal and electrical trades (2005) Lorenz Curve

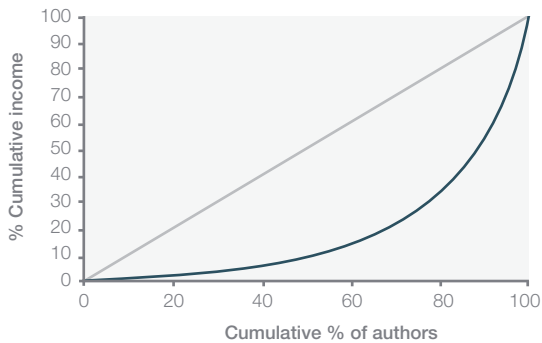


Source: Annual Survey of Hours and Earnings (ASHE), Office for National Statistics

Mean ('average') earnings	£23,985
Median ('typical') earnings	£23,251
Gini Coefficient ('measure of inequality')	0.22

(All UK employees – mean: £23,400; median: £19,190; Gini 0.33)

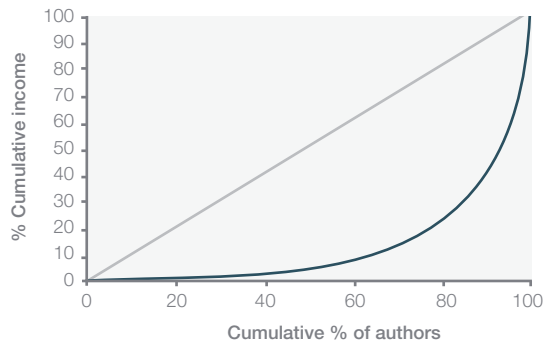
Table 2: UK annual earnings from writing (2000)



Source: Society of Authors survey

Mean ('average') earnings	£16,600
Median ('typical') earnings	£6,333
Gini Coefficient ('measure of inequality')	0.6

Table 3: UK annual earnings from writing (2004-5)



Source: ALCS Survey UK

Mean ('average') earnings	£16,531
Median ('typical') earnings	£4,000
Gini Coefficient ('measure of inequality')	0.74

Don't give up the day job

With typical (median) earnings well below subsistence levels, most writers supplement their income from other sources, such as a second job, or household earnings contributed by a partner. In our survey we captured this data by asking separate questions for income from writing, total individual income and total household

income. The data shows that only 20.3% of UK writers earn all their income from writing. For the cross-country comparison, we used the category of professional authors, i.e. authors who devote more than 50% of their time to being a writer.

60% of people who saw themselves as 'professional authors' required a second source of income

Table 4: How many professional authors can live from writing alone?

Percentage of UK professional authors for whom writing income contributes:	% of authors	Mean writing income (£)	Median writing income (£)
More than 50% of total individual income	59.6	41,186	23,000
More than 75% of total individual income	48.4	48,101	26,500
More than 90% of total individual income	42.8	50,090	27,696
100% of total individual income	40.0	49,542	27,500
Percentage of German authors for whom writing income contributes:			
More than 50% of total individual income	63.1	19,005	13,800
More than 75% of total individual income	52.9	20,165	13,800
More than 90% of total individual income	45.5	20,898	13,800
100% of total individual income	40.1	20,337	13,800

It is striking that the typical (median) earnings do not increase in line with the percentage of income derived from writing. German authors are prepared to devote more than 50% of their time to writing at a much lower mean and median income than UK authors. In other words, the hurdle to being a professional author appears to be lower in Germany. This may be due to a combination of factors, such as the high costs of living in the UK (50% of UK respondents live in London and

the South-East), the German system of state support (e.g. subsidised national insurance, wider availability of grants) and higher payments as a proportion of income from the collecting society. German professional authors receive an average of £1,119 from VG Wort (median: £414) while UK professional authors receive an average of £1,333 (median: £376) from ALCS and Public Lending Right (PLR) combined.

A tough start

The first ten years of a writer's life are the hardest, even more so in the UK. The annual median income for professional authors from writing in the UK age group 25-34 is only £5,000 – one third less than for

the comparable German category. Over the life-time of an author, earnings increase until the mid-fifties, and then decrease again.

“Typical earnings of professional authors from the UK aged 25-34 are just £5,000pa”

Table 5: The career curve of authors: earnings by age group (professional authors)

Age group	25-34	35-44	45-54	55-64	65+
UK valid responses	11	53	138	176	141
mean (£)	14,564	24,533	35,958	30,888	19,849
median (£)	5,000	18,000	14,250	12,250	7,313
coefficient of variation (%)	112.2	100.9	233.5	181.5	179.7
German valid responses	12	48	57	40	28
mean (£)	8,879	12,880	17,020	15,396	6,158
median (£)	7,452	8,564	8,280	10,557	3,105
coefficient of variation (%)	79.5	113.0	133.6	129.3	122.6

The gender gap

Female authors earn significantly less than their male counterparts, especially in the 'main-income' authors category.

Table 6: The gender gap

Income of female writers as a percentage of male income (mean):	UK	Germany
Professional authors	77.5%	80.6%
Main-income authors	59%	69.5%
Audio-visual authors	82%	83%

“Among main-income writers, a near 60/40 earnings bias occurs in favour of men”

Who earns what

UK writers earn considerably more from their writing across all genres. However, the variability of income is much greater for UK writers – the coefficient of variation

(CV) is greater in every category. The data suggests that the concentration of earnings appear to follow culturally specific sectors.

Table 7: Writing income (professional authors) in different genre and media

UK Genre/media	Valid responses	Mean writing income (£)	Median writing income (£)	CV (%)
Books – fiction	121	35,187	13,000	254.1
Books – children’s fiction	59	23,249	15,531	160.3
Books – non-fiction	118	19,294	8,000	245.8
Books – academic/educational	93	24,322	10,000	181.2
Newspapers/magazines	33	22,542	13,195	115.8
Theatre/film writing	41	40,527	20,000	128.8
TV writing	36	43,591	39,419	96.0
of which TV soaps	11	73,863	73,000	66.5
Audio, internet and other	22	35,584	13,500	144.2

Germany Genre/media	Valid responses	Mean writing income (£)	Median writing income (£)	CV (%)
Books – fiction	73	8,662	6,900	97.2
Books – children’s fiction	20	12,597	8,391	86.5
Books – non-fiction	20	8,045	4,658	86.7
Books – academic/educational	48	12,608	9,453	92.5
Newspapers/magazines	14	10,810	7,927	104.0
Theatre/film writing	17	34,703	13,110	113.6
TV writing	20	24,987	19,665	71.3
of which TV soaps	12	32,056	29,325	60.1
Audio, internet and other	23	7,708	5,520	92.5

These differences in earning profiles are most likely to reflect different market characteristics that exist between the two countries (such as world-wide licensing of English language publications, and media productions).

Know your rights

Disputes relating to moral rights (the author's right to be credited where their work is used and to prevent its derogatory treatment) are more than twice as likely in Germany (24.6 % of German writers have had such a dispute, compared to 11.4% of professional UK authors). In Germany, moral rights (Persönlichkeitsrechte) are inalienable – in the UK, these rights can be waived.

It appears that this difference in implementation is reflected in German commercial practice, which is more responsive to an author's moral rights.

In both countries, authors who have engaged in disputes with their publishers or producers tend to earn significantly more than their more compliant colleagues. This is likely to be a two-way relationship: publishers or producers may only listen to authors with bargaining power – but equally, engaging in bargaining may increase the author's bargaining power. In both countries, only about 65% of professional authors take professional advice before signing a publishing or production contract.

“The statutory regime designed to promote and protect an author's name and reputation – 'moral rights' – serves German authors better than their UK counterparts”

Table 8: Writing income of professional authors with and without contractual changes

(a) UK (professional authors)

Have you succeeded in changing the terms of a contract in 2005?	Valid responses	Mean writing income (£)
NO	245 (57%)	22,950
YES	180 (43%)	40,507

(b) Germany

Have you succeeded in changing the terms of a contract in 2005?	Valid responses	Mean writing income (£)
NO	95 (56%)	9,025
YES	76 (44%)	19,985

On the web, out of pocket

The Internet permeates everyday life, with about half of UK households now connected via a broadband connection. However, authors do not appear to have benefited from this exponential increase in consumption of copyright works. Only 14.7% of professional UK

authors and 9.2% of German writers have received specific payments for Internet uses of their works. For audio-visual authors the figures are even lower (UK: 11.1%, Germany: 6.9%).

“The world is now online, yet less than 15% of authors surveyed have received payments for online uses of their work”

GLOSSARY OF STATISTICAL TERMS

Coefficient of variation (CV)

The coefficient of variation is a measure of relative dispersion, calculated by expressing the standard deviation as a percentage of the mean. The greater the coefficient of variation, the greater the variability of income.

Gini Coefficient

The Gini Coefficient is calculated as a ratio of the areas defined by the Lorenz curve. A Gini Coefficient of 1 means that one member of the population earns all the income ("perfect concentration"). A Gini Coefficient of 0 means that every member of the population earns the same income ("perfect equality").

Mean

Commonly known simply as "average", it is defined as the total of a distribution of values divided by the number of values.

Median

The mid-point in a distribution of values which has been arranged in size order, also known as the 50th percentile. In an analysis of incomes, it represents the earnings of a typical member of the population. In a Lorenz curve diagram, the median can be identified by the 50% mark on the horizontal x-axis.

Lorenz curve

A Lorenz curve plots cumulative percentage incomes against cumulative percentage population. It represents a series of statements such as: "the bottom 20% earn 10% of total income"; "the bottom 80% earn 60% of total income" (= "the top 20% earn 40% of total income"). The more "sloped" the curve is, the more unequal is the distribution of wealth in a given population. The Lorenz curve is used to calculate the Gini Coefficient.

Population

The complete set of people (or any collection of items) under consideration.

Sample

A sub-set of the population that is selected for research.



The research in this document was commissioned by ALCS and was led by Professor Martin Kretschmer and Professor Philip Hardwick from the Centre for Intellectual Property Policy & Management (CIPPM), Bournemouth University.

ⁱ The Centre for Intellectual Property Policy & Management (www.cippm.org.uk) is one of the premier intellectual property research centres with an international track record of empirical research. The German part of the ALCS survey was devised and processed by Dr Friedemann Kawohl; the returns were computed by Dr Michel Guirguis (UK) and Natalie Swann (Germany).

ⁱⁱ Verband deutscher Schriftsteller (<http://vs.verdi.de>) traces itself back to predecessors established in 1909 and 1952. It has about 5,000 members (predominantly literary authors and translators), and is part of the Trade Union Congress.

ⁱⁱⁱ *Verband der Drehbuchautoren* (www.drehbuchautoren.de) was founded in 1986, and represents about 450 screenwriters.

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