



UK AUTHORS' EARNINGS AND CONTRACTS 2018:

A SURVEY OF
50,000 WRITERS

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A SURVEY
OF 50,000
WRITERS

European
Copyright
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Oslo,

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Martin Kretschmer and Philip Hardwick

Authors' earnings from copyright and non-copyright sources:
A survey of 25,000 British and German writers

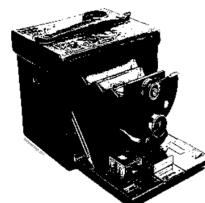


Centre for Intellectual Property Policy & Management
(www.cippm.org.uk)

December 2007

BU Bournemouth University

UNIVERSITY OF CAMBRIDGE



2011 Copyright contracts and earnings of visual creators:

A survey of 5,800 British designers, fine artists, illustrators and photographers

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The Business of Being an Author A Survey of Author's Earnings and Contracts

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Who is an author?

Definitions:

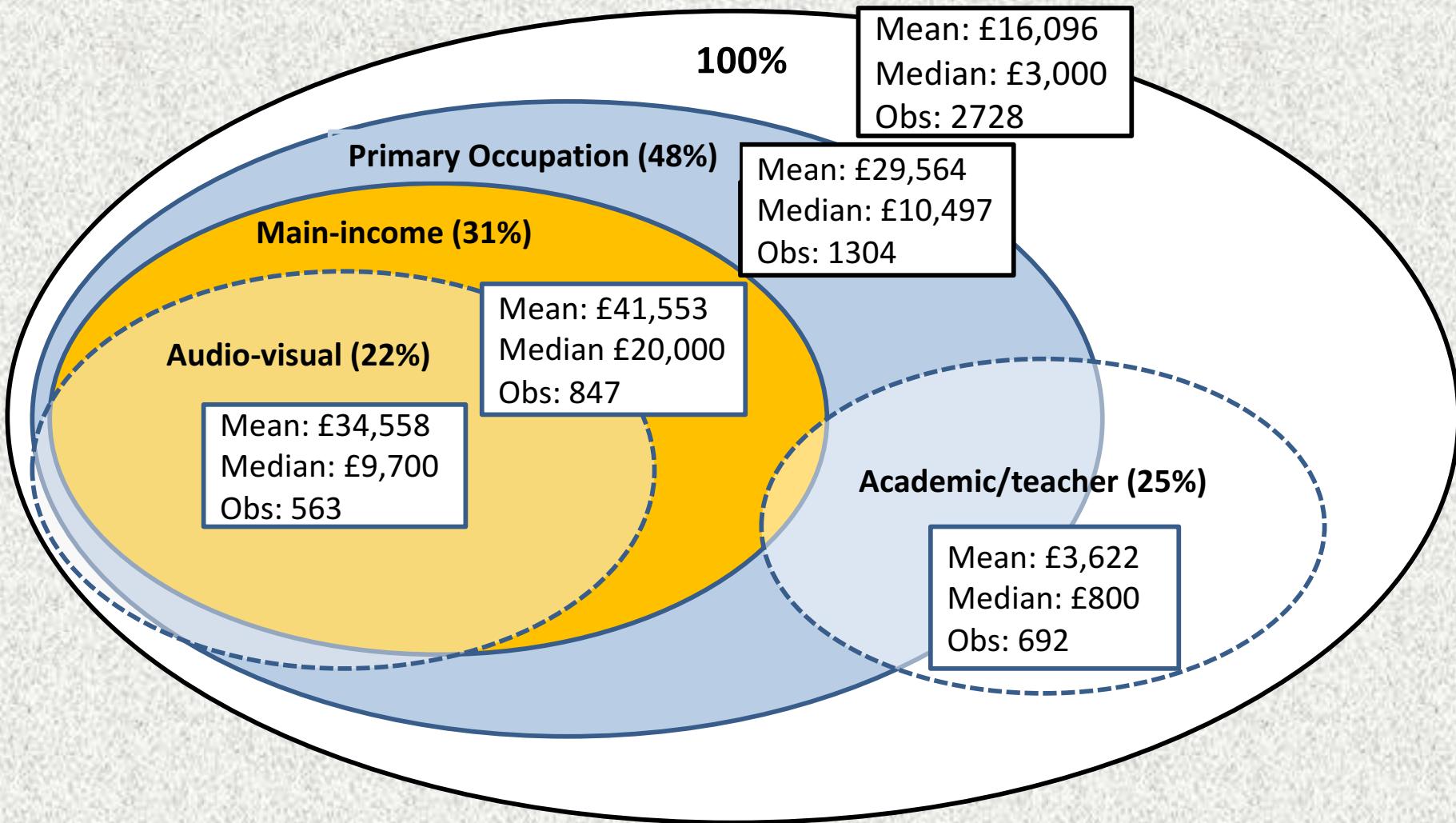
- Copyright, commercially published, amount of time spent writing, amount of income derived from writing, sustained professional practice, membership of professional body, work validated by quality indicators

Sample: Collecting society membership

Benchmarking: collecting society distributions, previous studies, (tax), (insurance)

Sub-samples:

- Primary occupation authors (allocate 50% or more of their time)
- Main-income authors (earn 50% or more of individual income)
- Media/genre (audio-visual writers, academics/teachers)



Decline in earnings

All respondents	2006	2014	2018
Median earnings (as reported in respective surveys)	£4,000	£4,000	£3,000
Median earnings - real terms (i.e. equivalent to 2017 money)	£5,844	£4,476	£3,000

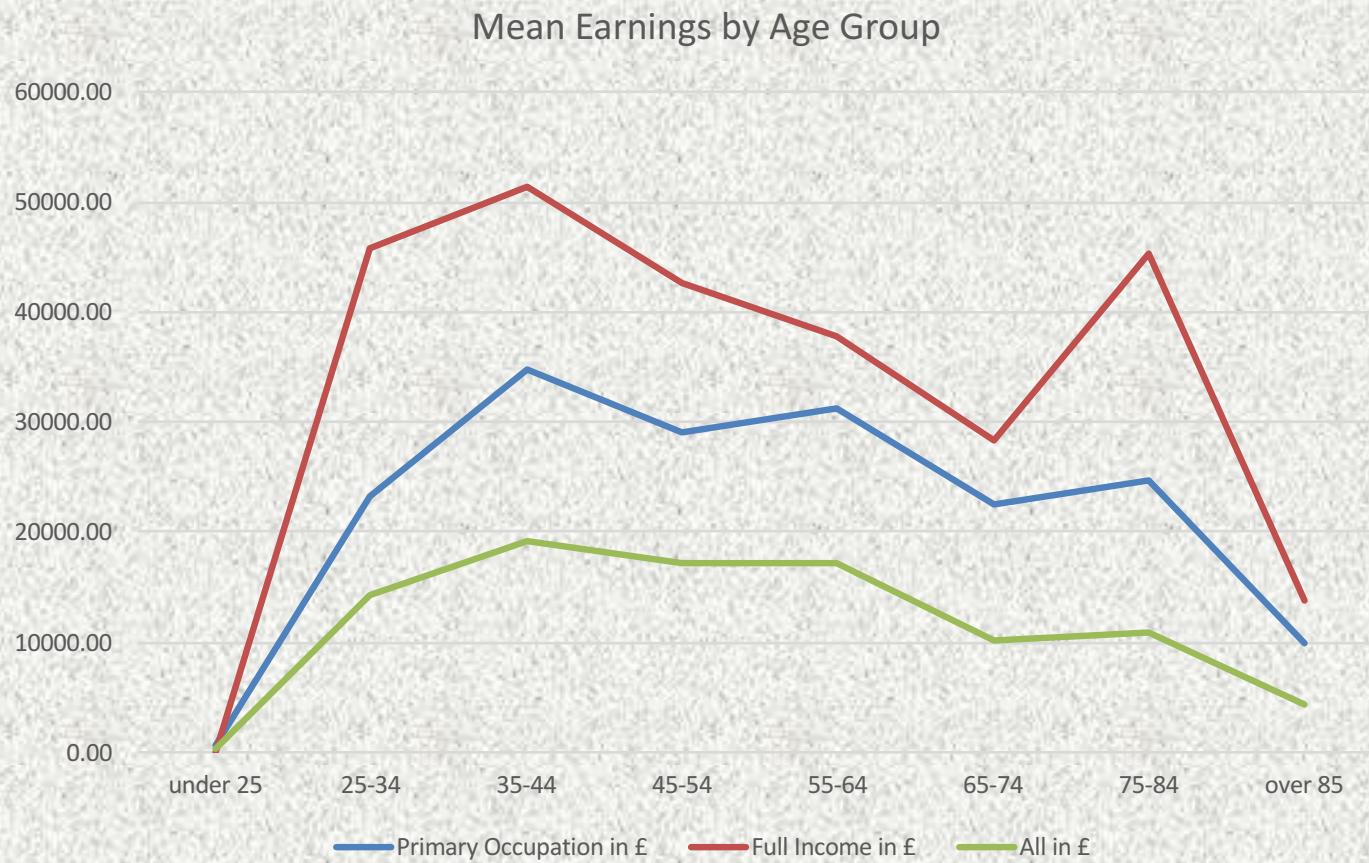
Primary occupation authors	2006	2014	2018
Median earnings (as reported in respective surveys)	12,330	11,000	10,497
Median earnings - real terms (i.e. equivalent to 2017 money)	18,013	12,309	10,497

Over 12 years, drop in real terms (accounting for inflation) by

42%



Professional live cycle



This contrasts with findings in the 2006 survey
where earnings start to decline later (after age 45,
Table 3.4 in Kretschmer & Hardwick, 2007)

Portfolio lives

Primary occupation writers for whom writing contributes:	(2018) % of writers	Mean writing income	Median writing income	(2006) % of writers	Mean writing income	Median writing income
More than 50% of total individual income in £	64.95%	41,344	20,000	59.60%	41,186 (60,173)	23,000 (33,603)
More than 75% of total individual income in £	52.43%	46,208	22,000	48.40%	48,101 (70,276)	26,500 (38,717)
More than 90% of total individual income in £	44.63%	47,360	24,000	42.80%	50,090 (73,181)	27,696 (40,464)
100% of total individual income in £	28.45%	52,712	28,000	40.00%	49,542 (72,381)	27,500 (40,178)

Decline by 12% of those who earn all their individual income from writing alone (no second job)

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Households mitigate risk

Primary occupation writers	(2018) Writing Income	(2018) Individual Income	(2018) Household Income	(2006) Writing Income	(2006) Individual Income	(2006) Household Income
Valid Responses	1184	1073	1173	525	514	501
Mean in (£)	28,562	54,766	81,458	28,340	41,017	55,620
2017 money				41,405	59,926	81,261
Median in (£)	10,000	27,000	50,000	12,330	25,337	37,000
2017 money				18,014	37,017	54,057
Coefficient of variation (%)	273	580	278	205	146	115
GINI	0.71	0.63	0.53	0.63	0.51	0.47

Diversity effect?

The copyright element in earnings?

1. Copyright: Contractual income

- Publishing contracts
- Production contracts

2. Copyright: Collectively negotiated income

- Collecting societies

3. Non-Copyright artistic income

- Grants/commissions
- Performances/readings
- Sponsorship
- Seminars/teaching

4. Income from non-artistic sources

- Family support
- Capital
- 'day time job'
- Social security

Sources of earnings

Source of Earnings	Mean (£)	Median (£)	# Respondents
Publishers	21495 (73%)	3720	1172
Lectures	2714 (9%)	250	696
Self-publication	2613 (9%)	0	583
Creative writing classes	1297 (4%)	0	552
Public Lending	766 (3%)	100	863
Grants and Bursaries	730 (3%)	0	484
ALCS	727 (3%)	196	1100
Awards and Prizes	435 (1%)	0	469

Writing income (gross) of primary occupation authors

Negotiations & Advances

During the past year, have you succeeded in changing the terms of a contract you were offered?

Contract Changes	2006	2014	2018
Yes	202 (43%)	NA	462 (36%)
No	267 (57%)	NA	823 (64%)

Negotiated items for primary occupation authors: fees (27%), royalty rate (21%), rights/scope of licence (17%), reversion of rights (10%).

Contract Changes	Obs	Mean
Yes	638	30257
No	1923	11275
p-value		0.00***

*Table 4.2 * p<.1, ** p<0.05, *** p<0.01*

Have you ever received an advance ahead of creating a work?

Advance	2006	2014	2018
No	104 (18%)	24%	380 (31%)
Yes	464 (82%)	76%	845 (69%)

Buy-out contracts

Buy-out: During the past year, have you signed a "buy-out" type contract, i.e., a contract where there is a single payment for use of the work without royalties?



Buyout	All	Main Income	Full Income	Audio-visual	Academic
Mean 2006 (£)	18066	43633	39543	33586	10239
Median (£)	4087	25000	16000	13500	3000
Mean 2018 (£)	16929	35627	39829	24632	2981
Median (£)	5000	20000	25099	10000	950

No Buyout	All	Main Income	Full Income	Audio-visual	Academic
Mean 2006 (£)	5588	23400	7871	11312	3225
Median (£)	430	11000	0	1000	500
Mean 2018 (£)	24917	46734	53048	41196	8786
Median (£)	8000	29000	36110	29000	2000

Buy-out (2018)	Obs	Mean
Yes	579	16929
No	148	24917
p-value		0.0437**

Table 4.5 * $p < .1$, ** $p < 0.05$, *** $p < 0.01$

Results flipped between 2006 and 2018 survey. In 2018, those authors who did not sign buy-out contracts earned significantly more. In 2006, they earned on average less.

Moral Rights

Moral rights: Have you ever had a dispute with a publisher/producer over moral rights?

Moral rights dispute	2006	2018
Yes	51 (11%)	62 (6%)
No	397 (89%)	968 (94%)

Moral rights: If you answered Yes in the previous question, what were the grounds of the dispute?

Attribution	Integrity	Both attribution and integrity
28 (42.4%)	22 (33.3%)	16 (24.3%)

In the 2006 survey, moral rights disputes were more than twice as likely in Germany (24.6 % compared to 11.4% of UK primary occupation authors). No significant correlation with earnings.

Contract reversion

Reversion Clause: Have any of your contracts ever included a reversion clause which gives you publishing rights or copyright back if the publisher is no longer exploiting your work?

Reversion Clause in Contract	2014	2018
No	648 (43%)	751* (43%)
Yes	869 (57%)	1007* (57%)

Reversion Clause: Have you used or relied upon such a reversion clause?

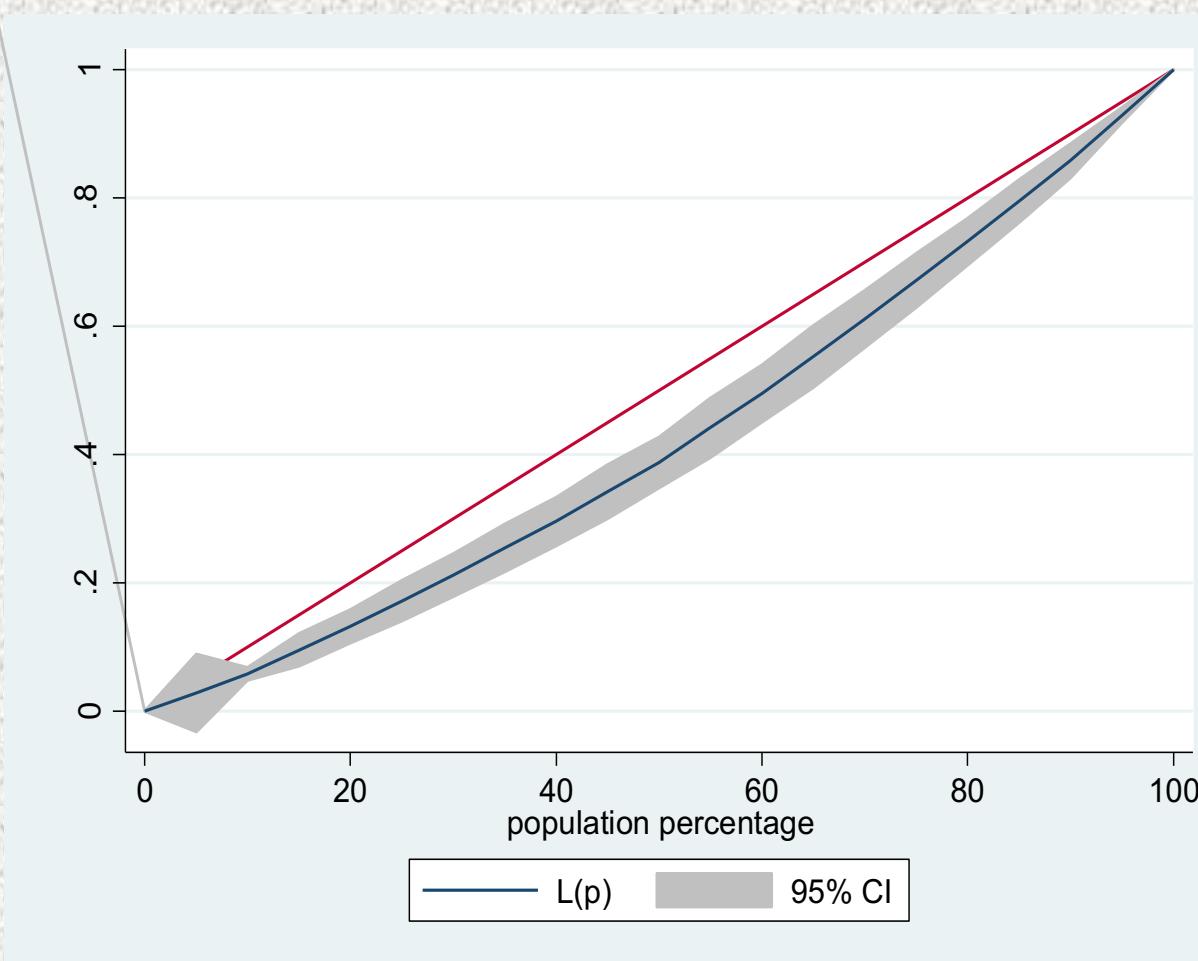
Exercise of Reversion Clause	2014	2018
No	527 (62%)	670 (67%)
Yes	329 (38%)	329 (33%)

Reversion Clause Earnings	All	Primary Occupation	Main Income	Full Income	Audio-visual	Academic
Yes, Mean (£)	25742	33245	41396	42628	42751	4848
No, Mean (£)	18005	24725	38820	45007	35147	1425
p-value	0.2200	0.3338	0.8459	0.9073	0.6913	0.0360**

Earnings of authors who had positive reversion clause earnings

* $p < .1$, ** $p < 0.05$, *** $p < 0.01$

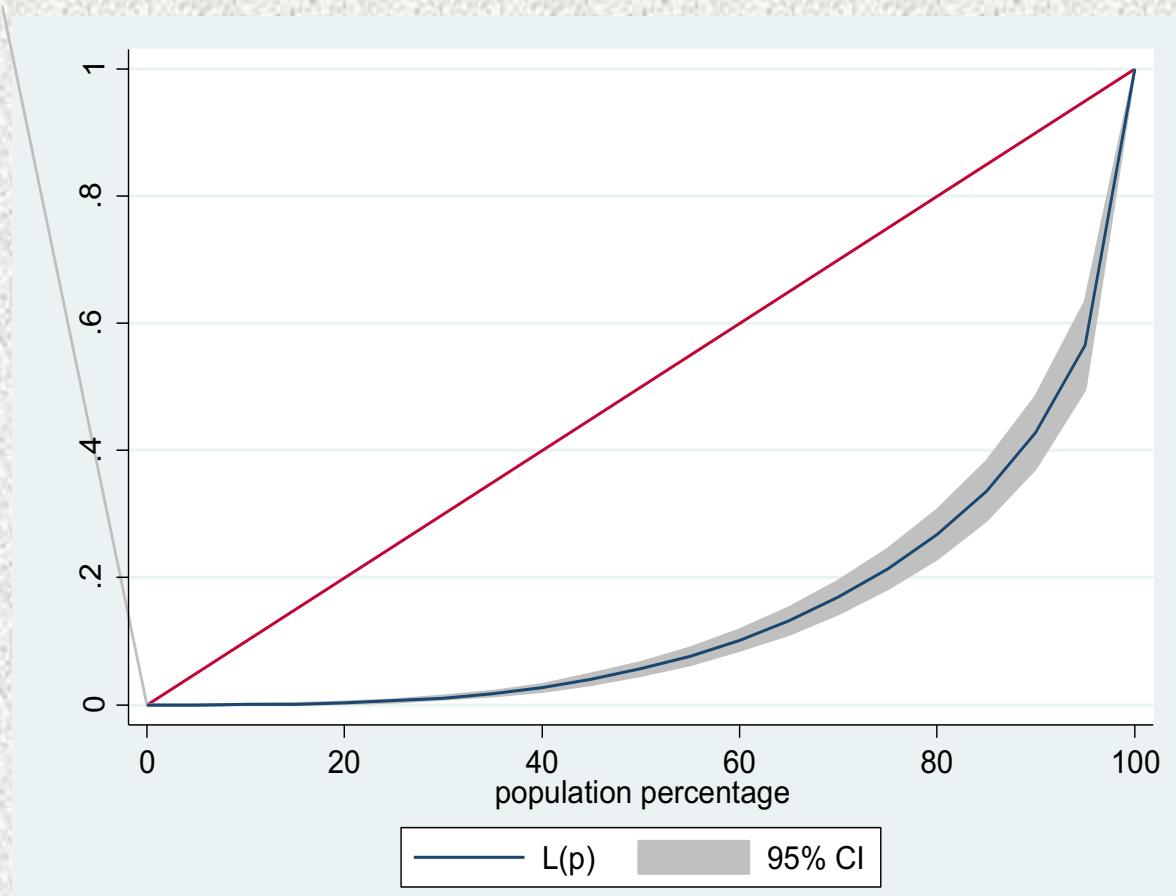
UK: Annual earnings (gross) all employees (2018)



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

Mean = £32,851
Median = £31,989
Gini = .13

Primary Occupation writers: self-employed earnings (2018)



Source:
ALCS Survey
UK writers' income
(gross)

Mean = £29,564
Median = £10,497
 $N = 1304$
 $Gini = .71$

Conclusions

Cultural markets are winner-take-all markets

Top 10% of creators receive a disproportionately large share of total income (photographers/illustrators: 40-50%; literary authors: 60-70%; composers/songwriters: 80-90% of total income)

Portfolio lives are typical

Median earnings are low. 70%+ of writers have earnings from another source (second job, partner etc.)

Effects of digitisation?

Supply is stable. 50% of population of writers remain in primary occupation. Full time writers becoming rarer (decline from 40% to 28%). Less diversity?

Earnings down. Fewer advances (decline from 82% to 69%). Shift of risks from publishers to writers? New sources of revenue not passed on?

Copyright law's role?

Powerful market dynamics underlie bargaining. Difficult to address through regulation of contracts. Is the copyright incentive based on a systematic cognitive mistake (overestimation of success)?

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