

Led by



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Authors' Earnings in the UK

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About the Creative Industries Policy and Evidence Centre

The Creative Industries Policy and Evidence Centre (PEC) works to support the inclusive and sustainable growth of the UK's Creative Industries through the production of independent and authoritative evidence and policy advice. Led by Newcastle University with the Royal Society of Arts and funded by the Arts and Humanities Research Council, the Centre comprises a core consortium of; Newcastle University, Work Advance, Sussex University and the University of Sheffield. The PEC works with a diverse range of industry partners. For more details visit <http://www.pec.ac.uk> and @CreativePEC

Introduction

This policy briefing sets out areas for possible policy action, proposed by the researchers at CREATE who conducted a survey of UK writers for the Authors' Licensing and Collecting Society (ALCS). The survey was conducted between February and April 2022.

The briefing is situated amid a growing investigation into the value placed on creative labour and the sustainability of creative careers.¹ Recently, for example, academic researchers, regulators and policymakers in the UK have given substantive consideration to the music industry, particularly in the context of widely-held concerns around the emergence of music streaming.² This includes survey research examining music creators' earnings in the music streaming era that identifies familiar creative industries themes of low creators' earnings, 'portfolio' careers combining musical and non-musical labour, and a pronounced gender pay gap. Other investigations have given academic attention to the lives of voice-actors,³ designers and illustrators,⁴ and audio-visual authors.⁵ All are unanimous in confirming a downward trend in earnings and the sustainability of careers for creative workers.

This policy briefing contextualises earnings amid larger contextual factors that inform them, particularly two legal factors which can affect earnings: copyright and contract. Copyright is the primary legal mechanism through which a creator can achieve and take ownership of their rights, in theory offering them a mechanism to finance their work; contracts are essential for setting the terms and conditions for realising those rights, and how and when income will be generated.

The survey that forms the basis for this policy briefing is part of a longstanding series of surveys on authors' earnings in the UK, commissioned and funded by the Authors' Licensing and Collecting Society (ALCS). The findings of this particular survey also give unique insight into authors' experiences of two significant and disruptive events: the Covid-19 pandemic (the first UK lockdown started on 23 March 2020) and Brexit (the transition period ended on 1 January 2021). Both have acute and ongoing effects on authors' incomes and the quality of their professional lives.

¹ See O'Brien, D. (2019) Why is understanding inequality important to understanding the creative economy? (PEC, 24 June 2019) <<https://pec.ac.uk/blog/why-is-understanding-inequality-important-to-understanding-the-creative-economy>> (accessed: 26 April 2023) and Carey, H., O'Brien, D., and Gable, O. (2021) Social mobility in the creative economy: Rebuilding and levelling up? (PEC, 9 September 2021) <<https://pec.ac.uk/research-reports/social-mobility-in-the-creative-economy-rebuilding-and-levelling-up>> (accessed: 26 April 2023)

² Competition and Markets Authority (2022) Music and streaming market study: update paper (Gov.uk, 26 July 2022) <<https://www.gov.uk/government/publications/music-and-streaming-market-study-update-paper>> (accessed: 17 November 2022), Digital, Culture, Media and Sport Committee (2021) Economics of music streaming (Gov.uk, 15 July 2021) <<https://committees.parliament.uk/work/646/economics-of-music-streaming/publications/>> (accessed: 17 November 2022), Intellectual Property Office (2021) Music creators' earnings in the digital era (Gov.uk, 23 September 2021) <<https://www.gov.uk/government/publications/music-creators-earnings-in-the-digital-era>> (accessed: 17 November 2022)

³ Pavis, Tulti and Pye (2019) Fair Pay/Play in the UK Voice-Over Industries: A Survey of 200+ voice-overs (Zenodo, 17 July 2019) <<https://zenodo.org/record/3340920#.Y3ZOnILP2vA>> (accessed: 17 November 2022)

⁴ Kretschmer, Bently, Singh and Cooper (2011) Copyright Contracts and Earnings of Visual Creators: A Survey of 5,800 British Designers, Fine Artists, Illustrators and Photographers. Bournemouth/Cambridge: CIPPM Project Report

⁵ Willekens, Siongers, Pissens and Lievens (2019) Behind the Screens: European survey on the remuneration of audiovisual authors. FERA Report

Scope of the study

This survey builds on comparative data from a series of surveys of authors' earnings and contracts from 2006.

Kretschmer and Hardwick (2007)
(The '2006' survey)

Authors' Earnings from Copyright and Non-Copyright Sources: A Survey of 25,000 British and German Writers

Gibson, Johnson and Dimita (2015)
(The '2014' survey)

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

Kretschmer, Gavaldon, Miettinen and Singh (2019) (The '2018' survey)

UK Authors' Earnings and Contracts 2018: A Survey of 50,000 Writers

Data collection: The survey was issued on 1 February 2022 to 58,260 members of ALCS, closing on 12 April 2022. The survey was also circulated by mailing lists to members of the Society of Authors and the Writers' Guild of Great Britain, and was publicised on The Bookseller website on 1 February 2022. 2,759 responses were received.

The sample was checked against the ALCS membership (and also past surveys) and found to be broadly representative.⁶

The sample is separated into three groups: (1) all authors (i.e., all respondents); (2) authors who write as their primary occupation (allocating at least 50% of their time to writing); and (3) authors for whom writing is their main source of income (more than 50% of their total individual income). For the purposes of economic and cultural policy, authors with professional ambition at the threshold of being able to make a living are a relevant target group. These definitions also allow meaningful comparisons across sectors employing writers and over time.

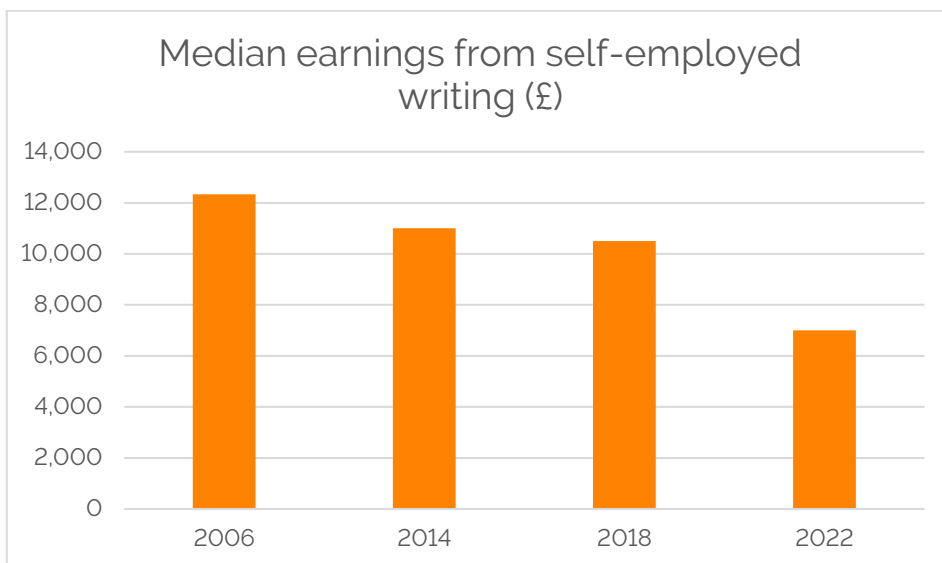
The analysis of income is also stratified around a multi-layered concept of an author's income, as routes to payment are typically fragmented: (1) self-employed writing income (from sources such as royalties, advances, commissioned or freelance work); (2) individual income (either adjacent to writing or not, e.g., salaried employment in another profession); and (3) household income (total income including all members of the author's household, e.g., from a partner). By stratifying income in this way, it is possible to isolate the value attributed to writing (source 1) in itself.

⁶ Survey population, response rates and demographic profiles are discussed in the Methodology section of the full report: Thomas, Battisti, Kretschmer (2022) pp. 11-19.

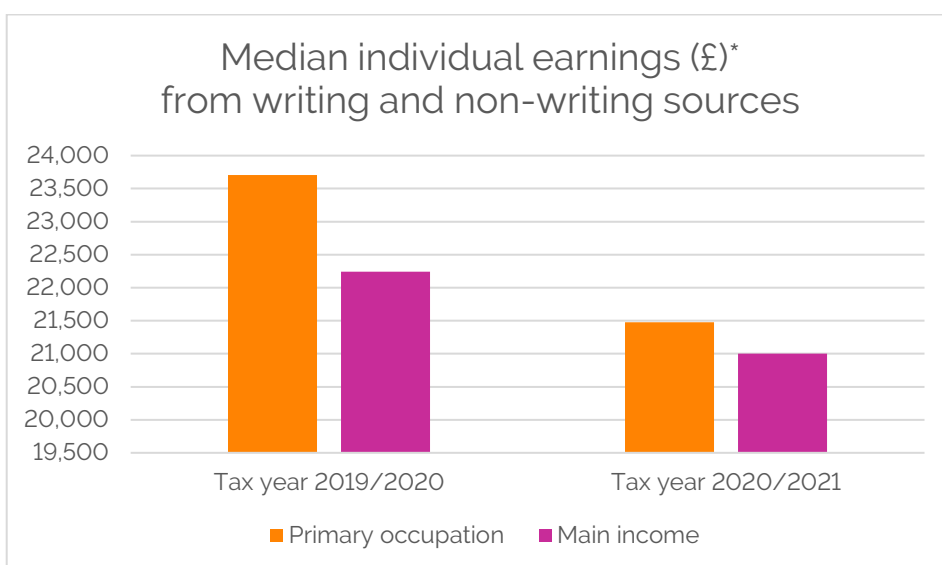
Key findings

1. There has been a marked decline in the median earnings of primary occupation authors.

In 2022, primary occupation authors earned a median income of £7,000 in respect of their self-employed writing activities. Assuming a maximum 48-hour working week at the £9.50 hourly rate (UK national minimum wage as of 1 April 2022) this would produce a total income of approx. £21,888 per annum before taxes. This suggests that writing in itself cannot on average sustain an income that is consistent with a minimum wage.

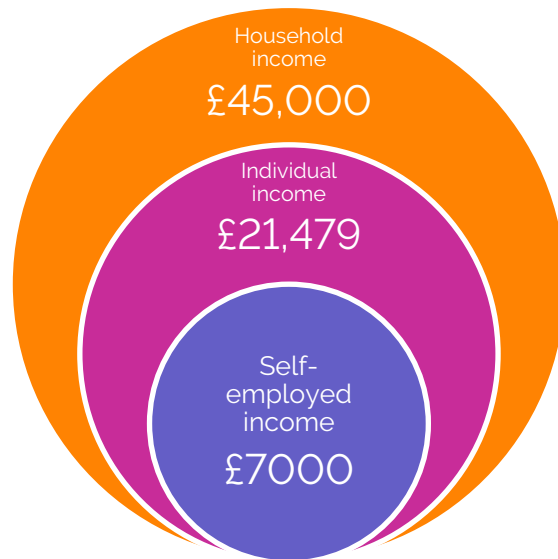


The reduction in earnings is more pronounced between tax years 2019/20 and 2020/21, with primary occupation authors now typically earning £21,479 (median) per annum (a drop in real terms of 11.7% between years), and main income authors earning slightly less for a typical income of £21,000 (median) per annum (a drop in real terms of 8% between years). This finding is all the more striking considering the high inflation rates that persisted in the UK after fieldwork completed in April 2022.



Reflecting the low levels of self-employed and individual income, authors are often substantially subsidised by the earnings of other members of their household. While median household earnings are a healthier £45,000 per annum, the individual income of primary occupation authors contributes only 48% of this figure; self-employed writing earnings contribute only 16%. This suggests that as a career, writing is only sustainable

for many where authors can access other sources of financial support, in particular through the income of other members of their household. For most authors, the income provided by writing makes it unviable as a standalone career.



Note: The diagram represents authors who write as their primary occupation (= allocate at least 50% of their working time to writing).

2. The number of authors who earn all their income from writing is decreasing, suggesting that writing as a standalone occupation is become less sustainable over time.

Consistent with previous surveys, the number of authors who report that writing is their primary occupation remained at about 50% of the total writing population. However, there is a noticeable decline in the number of authors who earn *all* their income from writing - decreasing from 40% of the total sample of primary occupation authors in 2006, to 28% in 2018, and now 19% as of 2022. This suggests that writing as a standalone occupation is becoming less sustainable.

	2006	2018	2022
Percentage of authors whose entire income is derived from writing (%)	40	28	19
Median earnings (£)	27,500	28,000	16,000

The decline in the number of authors who earn all of their income from writing is consistent with a decline in liveable wages from writing activities. In both 2006 and 2018, an author who earned their entire income from writing could expect to earn a median income of around £28,000 from writing alone; this is in excess of a living wage which would not require additional supplementation from other salaried employment. However, as of 2022, the median income for authors who earned all their income from writing is £16,000 – for a full-

time worker this would be below the equivalent of the National Living Wage. Inevitably, such a low income can only be sustainable for the very few authors who can either be supplemented by their household, or other non-working sources of income.

3. Writing is becoming an increasingly unequal profession.

As with many content markets, the profession of writing is characterised by winner-takes-all dynamics and extremely high levels of earnings inequality between the 'superstars' and typical earners. As of 2022, the top 10% of authors earn about 47% of the total income of the population. This is not an atypical distribution of income when considered alongside other creative industries.

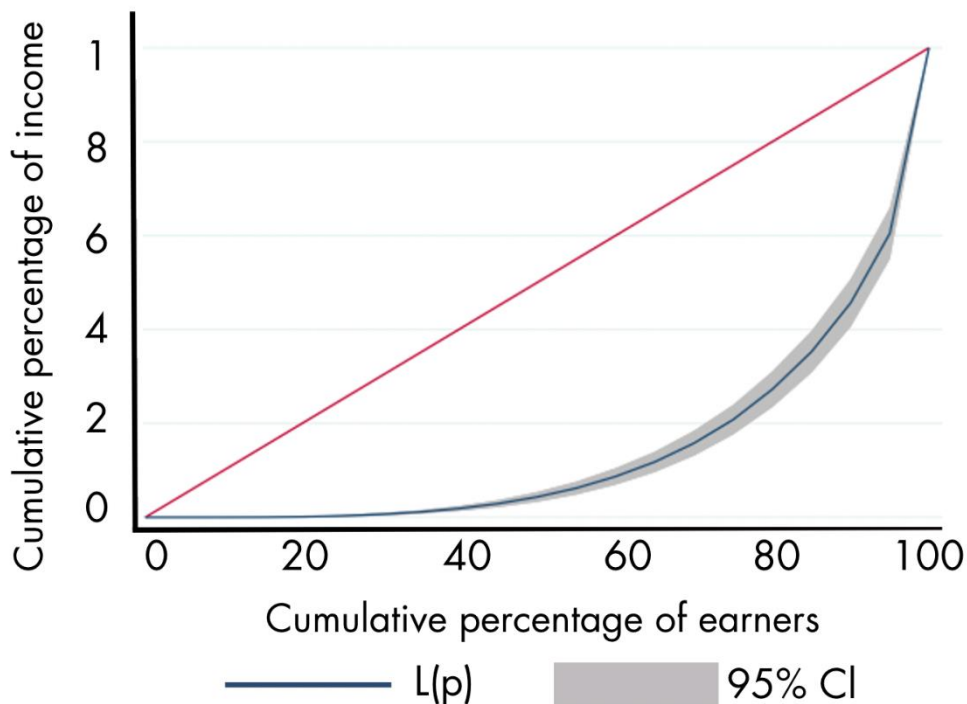


Figure 1: Gini coefficient = 0.7; Number of observations = 588

Note: *The diagram represents the distribution of self-employed earnings of primary occupation authors as a Lorenz curve.*⁷

Also in common with other parts of the creative sector, the writing profession is riddled with demographic inequalities. Women, black and mixed-race authors, the very young, and very old, all earn less than their respective counterparts. This has implications for the diversity - and therefore future health - of creative production in the UK.

- Among respondents, authors who identify as women see a larger drop in individual earnings (21% in real terms between 2017 and 2020, against 10% for men), resulting in a widening gender pay gap between men and women of 41.4% compared with 33% in 2016/2017. Women authors were also disproportionately more affected by the economic fall out from the Covid-19 pandemic than men, with 22% attributing 'substantial decreases' in income to it. Almost 50% of men, by contrast, reported

⁷ A Lorenz curve plots cumulative percentage of incomes against cumulative percentage of the population. It represents a series of statements such as: "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 as a measure of inequality. The Gini Coefficient for authors remained stable from the previous survey (2018: 0.71) but has increased since 2006 (2006: 0.63). For a discussion of winner-take-all dynamics, see Kretschmer, M., Klimis, G.M. and Choi, C.J. (1999), *Increasing Returns and Social Contagion in Cultural Industries*, *British Journal of Management*, 10: 61-72 Kretschmer, M., Derclaye, E., Favale, M. and Watt, Richard (2010), *The Relationship between Copyright and Contract Law: A Review* commissioned by the UK Strategic Advisory Board for Intellectual Property Policy (SABIP).

that their earnings had mostly stayed the same throughout the pandemic.

- While all ethnicities have experienced a reduction in their earnings over time, white authors, and authors who identify as 'other' ethnicities, appear relatively sheltered from the worst of the decreases (typically earning a median income of £21,750 and £32,500 per annum, making for a still not insignificant reduction by 12% and 6% in real terms respectively). By contrast, black and mixed-race authors receive disproportionately less income, and experience steeper losses year-to-year (typically earning a median income of £9,000 and £13,900 per annum, making for a reduction by 51% and 41% in real terms respectively).
- Overall, total individual earnings are particularly reduced for the very young (<25) and very old (>85) authors, earning a median income of £7,500 and £4,892 per annum, respectively.

4. Trends in contracts with publishers impact authors' long-term earning potential.⁸

Nearly half of all the authors surveyed had never received an advance from a publisher (47%). This continues the downward trajectory evidenced since 2006 (82%), 2014 (76%) and 2018 (69%). Of those authors that had received an advance, most reported no change in the amount offered in the previous five years (44% of the full sample and 37% of primary occupation authors). Very few authors report substantial increases (3% in both the full sample and primary occupation author sample), in contrast with those reporting more substantial decreases (28% in the full sample, 30% of primary occupation authors). With advances becoming rarer, more and more authors do not have access to upfront cash injections to support their works in progress.

At the same time, authors' longer-term earnings are becoming increasingly uncertain. Contractual offerings are less likely to include repeat fees for the use of an author's work as 'buy-out' contracts (where authors receive a one-off payment for their work with no future payments or royalties) become increasingly common. 38% of primary occupation authors signed a buy-out contract in 2022, compared with 35% in 2006 and 31% in 2018. Even for those authors that do receive royalties, most report a stagnation in the percentages offered by publishers (e.g., 77% of primary occupation authors report that royalty rates have 'stayed the same').

In qualitative responses to the survey, many authors note that boilerplate terms offered by gatekeepers to key cultural markets, such as Amazon and Netflix, set the course for contractual offerings by other publishers. There is a trend towards 'take it or leave it' offerings, with most authors not succeeding in changing a contractual clause in the past year (28% compared with 36% in 2018). This suggests that very few authors are in a position to meaningfully negotiate the terms on which they license or sell their work.

5. Authors under-utilise their rights.

Whilst over half of the authors we surveyed feel moderately confident in their knowledge of copyright (56%), the primary legal mechanism with which authors can bargain for the use of their work, we find evidence of under-utilisation and exploitation which potentially curtail an author's earning potential through the realisation of their rights.

Typically, authors in the full sample estimate that they waive their moral rights⁹ in almost half of their contracts (typically waiving their moral rights in 43% of their contracts). For primary occupation authors, the equivalent figure is 50%. 23% of authors systematically waive rights in all their works. Many authors report that the increasing use of boilerplate publishing contracts is creating a culture of apathy in respect of moral rights: authors must either agree to waive their right to be acknowledged for their work, or leave potentially

⁸ There are indications that authors who do not rely on traditional publishing routes ('indie' authors) earn a typically higher income. See Thomas, A., Battisti, M., and De Juano Ribes, H. (2023), [Indie Authors' Earnings 2023](#). CREATE Working Paper 2023/4

⁹ Moral rights are included in the UK copyright statutory framework and include the right to be acknowledged as the author of a work (the right of attribution) and the right to object to derogatory treatment of a work (the right of integrity).

lucrative publishing deals. Ultimately, whilst unhappy with the waiver, authors report 'giving in rather than losing the work'. When authors relinquish these rights, they risk losing their association with their work, or being able to interject when there are problematic uses of it.

Many authors are uncertain about the existence of reversion clauses¹⁰ in their publishing contracts, with almost 30% of primary occupation writers reporting they 'don't know' if they've ever signed such a clause. For those authors that do know of their existence, only 31% of primary occupation authors have ever relied on their reversion rights in practice. Given that reversion clauses can create new avenues for authors to determine how their work is used in the longer term, by whom, and for how much. This is a potentially important, under-utilised mechanism.

¹⁰ Reversion rights refer to the opportunity(ies) given to an author to renegotiate the contractual terms between them and a publisher after a set amount of time from the initial agreement (e.g., 15 years). There are limited statutory reversion rights in the UK following the introduction of the 1956 Copyright Act, and in practice most authors must rely on private contractual arrangements to set the reversionary terms between them and their publishers.

Conclusions and policy options

The survey findings outlined in this policy briefing raise significant questions about the sustainability and diversity of writing as a standalone profession in the UK. Routes to earnings are fragmented, resulting increasingly in a full-time profession that favours only the few who can afford to participate in it. This problem is exacerbated by the under-utilisation of key, author-centric rights, and the tendency towards 'take it or leave it' boilerplate contract practices by gatekeepers to key cultural markets.

Policymakers should consider making corrective actions. Importantly, UK authors are not isolated: their deteriorating financial situation appears to be part of a global trend.¹¹ In light of this, the UK can retain and attract creative talent by setting more generous working conditions for authors.¹²

We invite policymakers to review a range of softer (non-legal) and harder (legal) interventions with the aim to sustain and diversify the writing profession in the UK. Importantly, in offering these suggestions, we are mindful that it is the nature of content markets to be winner-takes-all: the superstar writer and the impoverished author will continue to co-exist, and outside general social security measures, anticipating changes that eradicate this feature is not realistic. Policies will most likely be impactful if targeted at authors 'at the margins of success', who would be incentivised to begin or maintain a writing career in the UK if working conditions were improved.

Soft (non-legal) interventions	Hard (legal) interventions
<p>Establish standardised, voluntary, codes of conduct for publishers. This intervention might offer a range of potential commitments through a public declaration of the minimum standards offered to authors by publishers. This might include declarations that oblige the payment of a minimum wage, for example, parity of treatment between key demographic groups, or a commitment to offer more favourable contractual terms to authors.</p>	<p>Updates to copyright legislation. These may cover: perpetual and unwaivable moral rights; mandatory, time-limited reversion rights; publisher transparency and reporting obligations; and/or a right to fair remuneration.¹³ Similar suggestions have been considered in a recent study of music streaming, which considers contract adjustment and rights reversion to improve the interests of creators.¹⁴</p>

¹¹ In Australia, see: Australia Council for the Arts (2017) Making Art Work: An Economic Study of Professional Artists in Australia <Australia Council, 2017> <<https://australiacouncil.gov.au/advocacy-and-research/making-art-work/>> (accessed: 17 November 2022), Giblin (n.d.) The Author's Interest (The Author's Interest, n.d.) <<https://authorsinterest.org/>> (accessed: 17 November 2022). In Canada, see: The Writers' Union of Canada (2015) Devaluing Creators, Endangering Creativity. The Writers' Union of Canada Project Report. In the EU see: Europe Economics, Guibault and Salamanca (2016) Remuneration of authors of books and scientific journals, translators, journalists and visual artists for the use of their works. A study prepared for the European Commission DG Communication Networks, Content & Technology. In the US see: The Authors Guild (2019) Author Income Survey (*The Authors Guild*, 5 January 2019) <<https://authorsguild.org/news/authors-guild-survey-shows-drastic-42-percent-decline-in-authors-earnings-in-last-decade/>> (accessed: 17 November 2022)

¹² UK Research and Innovation (n.d.) Innovate UK (*Innovate UK*, n.d.) <<https://www.ukri.org/councils/innovate-uk/>> (accessed: 17 November 2022)

¹³ Models for legislative change in these areas can be found in Directive (EU) 2019/790 on copyright and related rights in the Digital Single Market (CDSM), Chapter 3.

¹⁴ Osborne, R. and Sun, H. (2023) Economics of streaming: Contract adjustment and Rights reversion. A report on behalf of the Intellectual Property Office.

Develop resources and programmes for authors which promote awareness and education of copyright and contract law. As the two key areas of law which may be useful to protecting authors' interests, authors will derive meaningful benefits from educational resources which equip them with key copyright and contract law knowledge. Existing online resources may be used as a model for this intervention.¹⁵

Targeted changes in tax and social insurance treatment. Some countries offer state supported insurance schemes for artists and writers that level the conditions between employed and self-employed workers.¹⁶

¹⁵ See e.g., CopyrightUser.org, cited in the DCMS (2021) Online media literacy resources (DCMS, 13 July 2021) <<https://www.gov.uk/guidance/online-media-literacy-resources>> (accessed: 25 April 2023)

¹⁶ A prominent example is Germany's Künstlersozialkasse.