



The State of the Book Business in the U.S. and Abroad: a Trans-Atlantic View

The situation for authors in the UK in 2016

Presented by:

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The Authors Guild May 2016

The SoA

- The SoA protects the rights and furthers the interests of all types of writers
- A membership organisation representing over 9,500 professional writers from all sectors and genres

I #NeedTheSoA cos I'm new to this. And scared. And confused. And u put your arm around me and said everything will be fine.

@callaghansstuff

Introduction – context

The World Picture

Country	Year	Publishers' total net revenue (m€)	Total market value at consumer prices (m€)	New titles & re-editions per 1m inhabitants	2013 GDP per capita PPP in US\$ (Worldbank)	Population
World			114,000		12,189	7,046,368,813
USA	2014	22918	29,483	959	53,143	313,914,040
China	2014	10,578		325	11,904	1,350,695,000
Germany	2014	5,547	9,332	1,156	43,312	81,889,839
Japan	2014		5501	613	36,315	127,561,489
UK	2014	4,587		2,875	36,209	65,696,689
France	2014	2,652	4,268	1008	36,907	63,227,526

Source: International Publishers Association

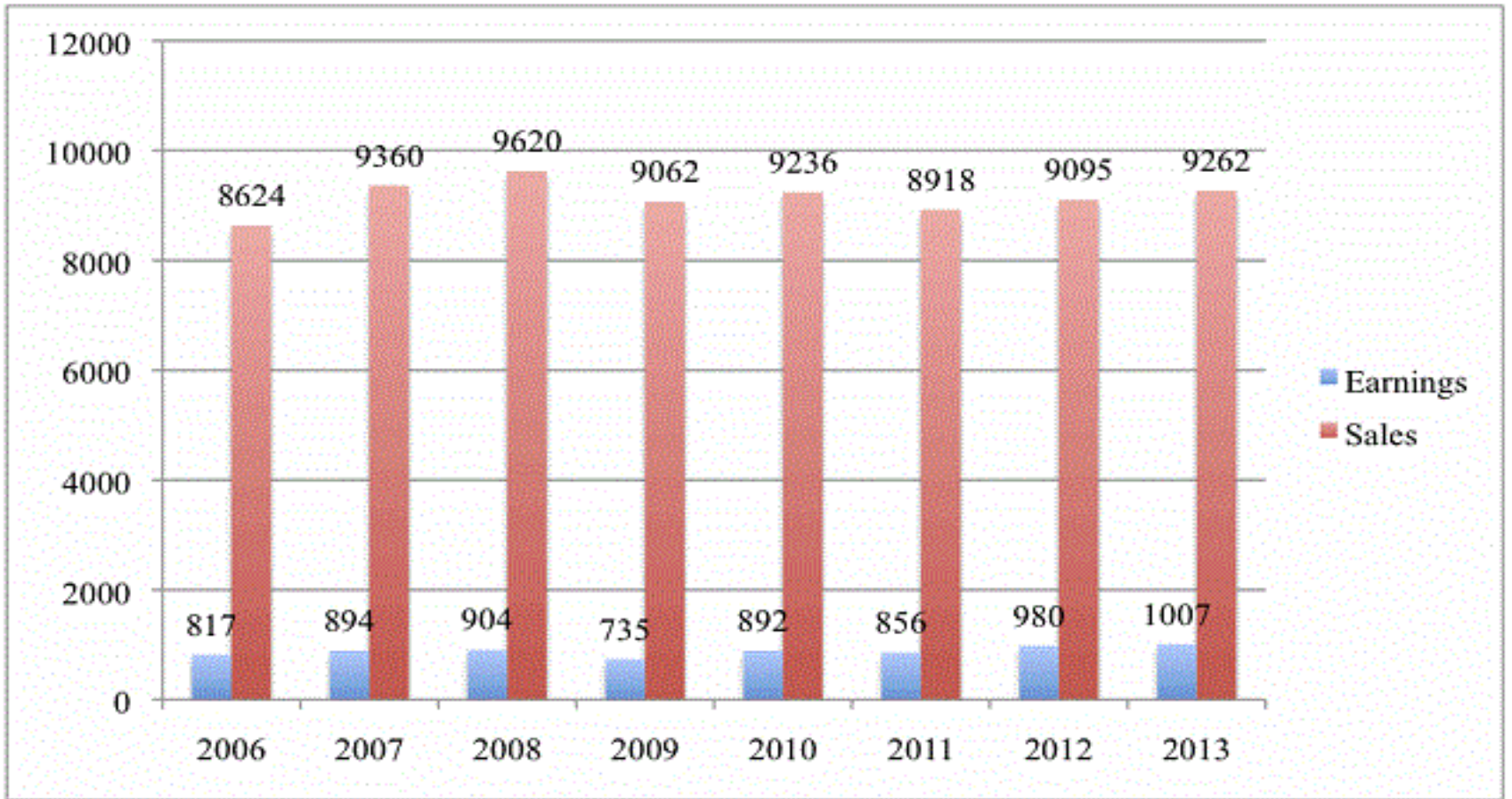
In Context

Total revenue for US publishers
2013 (26.7 billion USD),
2014 was 28 billion USD:

-slightly more than **total** revenue for publishers in
the European Union (EU) considered as a single market
— estimated at about €22.3 billion, (Federation of
European Publishers)
US market 5x UK market.

Publishers' earnings

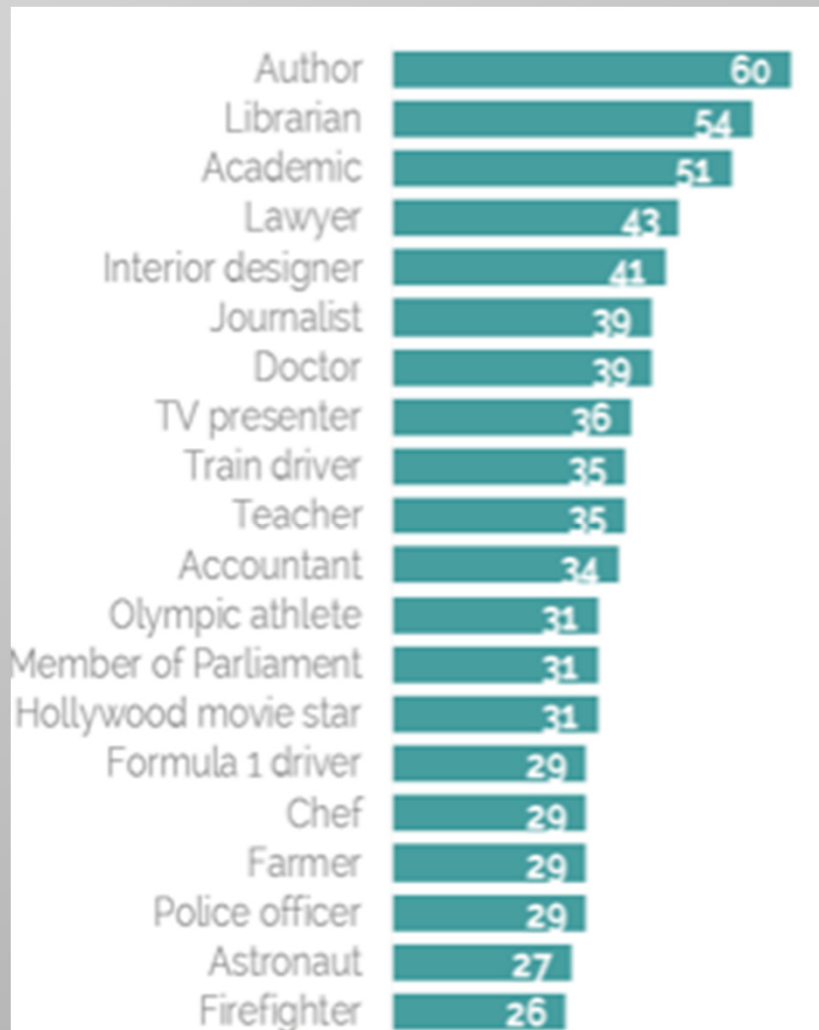
The World Picture



Data source Publishers Lunch. Figures on the chart are in U.S. dollars.

The most desired jobs in Britain

% who say they would like to do each of the following for a living:




Source: YouGov March 2015

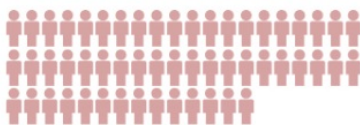
ALCS survey: who took part?

Ages of participants

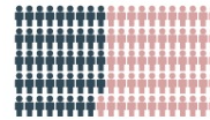
17% Age 44 or under



54% Age 45-64



29% Age 65 or over



44%



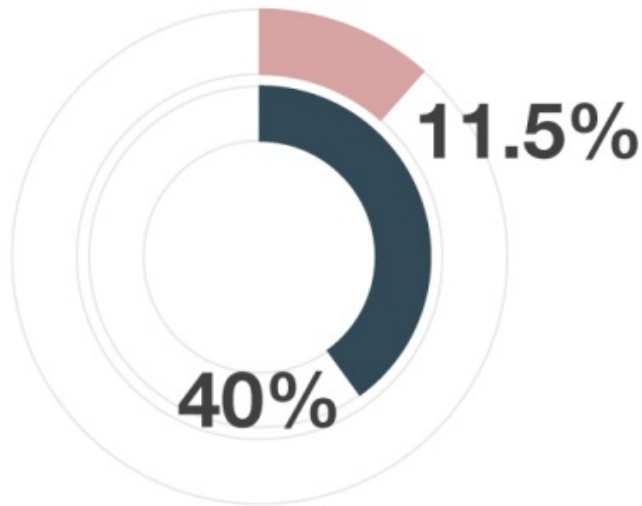
Women

A slightly lower number of women completed the questionnaire

2500 Participants

Professional authors: People who dedicate the majority of their time to the craft
All writers: Where this wider group of writers are referred to, the amount of time spent writing isn't taken into account, so this group may include occasional and part time as well as full time writers.

The professional author



Earning a living solely from writing



2005 - 40% of professional authors earned their income solely from writing

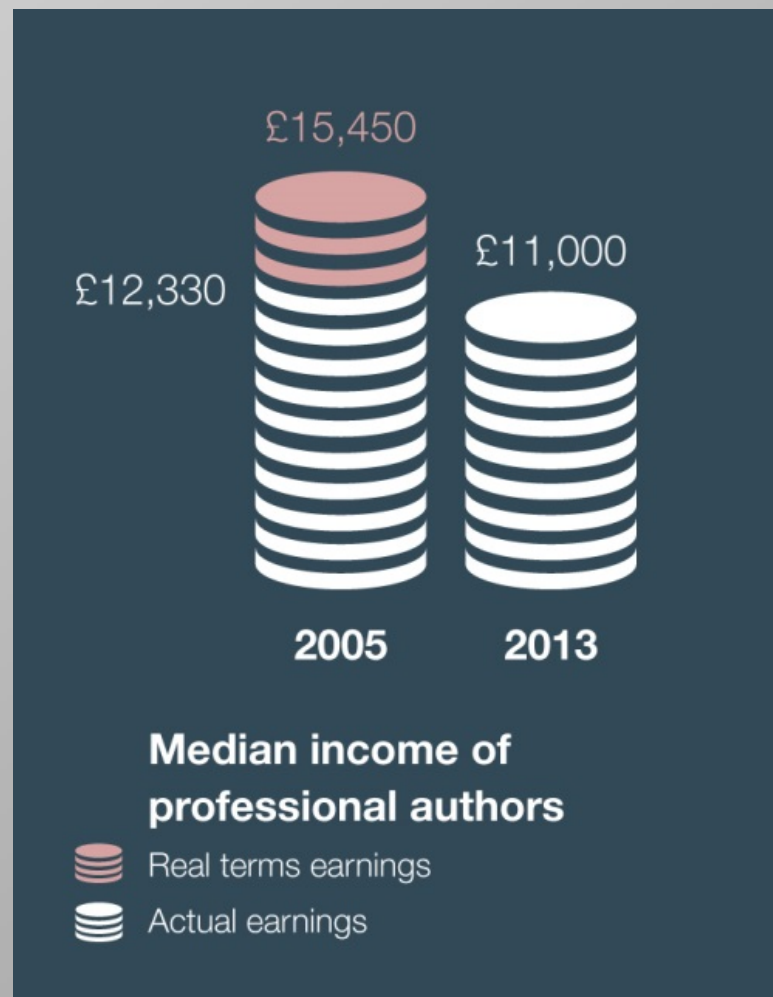


2013 - 11.5% of professional authors earn their income solely from writing

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

The professional author

- The typical (median) incomes of professional authors have dropped from £12,300 (\$18,382) per annum to £11,000 (\$16,440)
- This is a drop in real terms of 29% since 2005



Income: highs and lows

Income: highs and lows

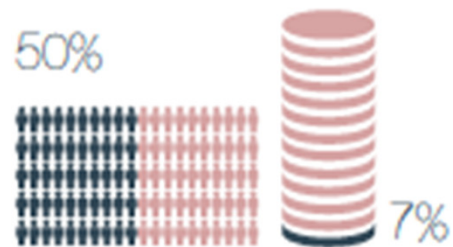
A small majority are doing very well -

The top 5% earned 42.3% of all the money earned by professional authors in this survey.



The larger majority aren't doing very well -

The bottom 50% (earning £10,432 or less) earn only 7% of all the money earned by all writers cumulatively.



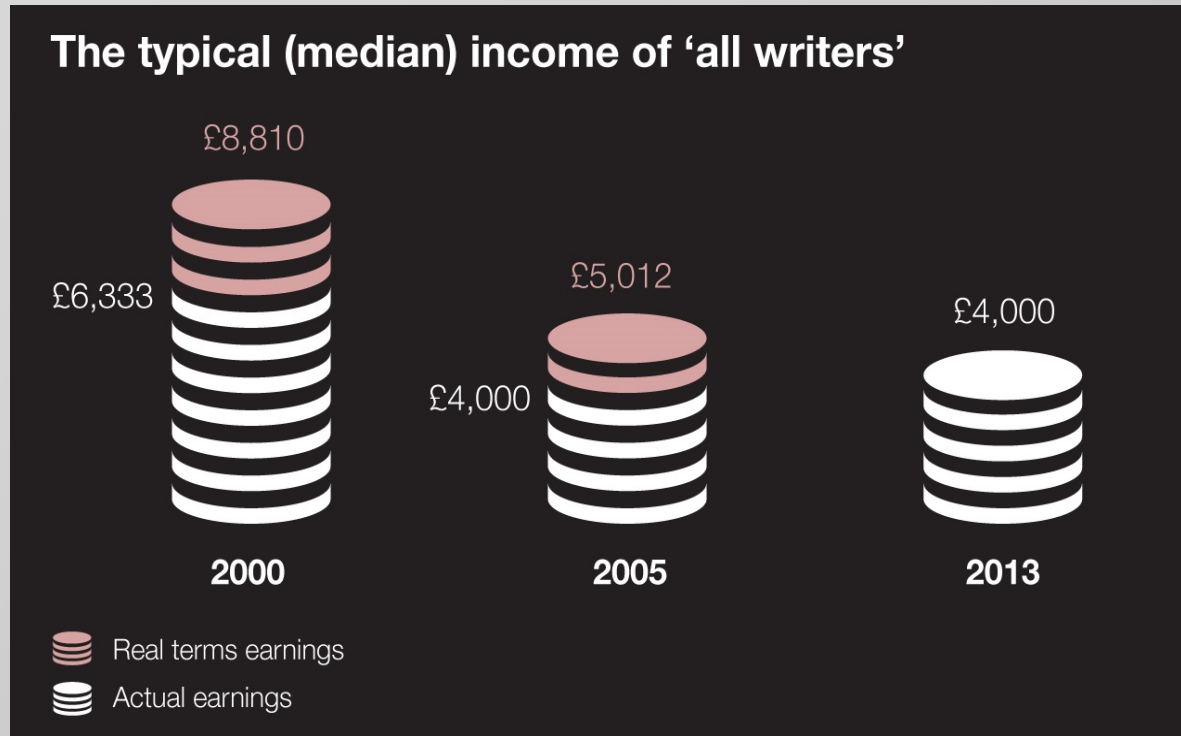
Nearly 90% need to earn money from sources other than writing.

The professional author

- Figures indicate that single people living in the UK need to earn at least £16,860 (\$25,200) to achieve a Minimum Income Standard (MIS) of living
- The typical professional author falls way below that standard



The bigger picture – all writers



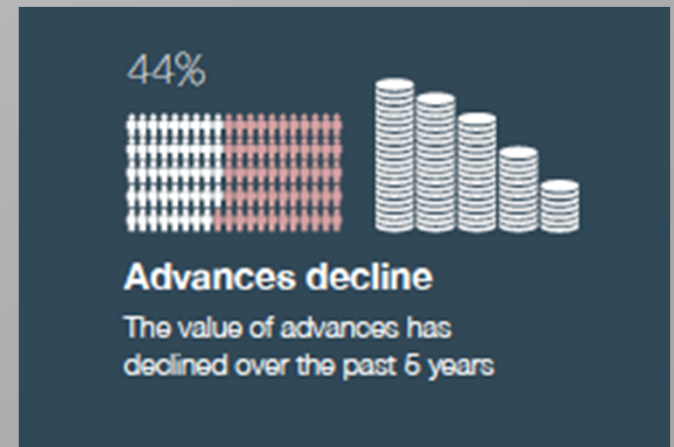
These graphs show the median earnings of all writers in 2000, 2005 and 2013

- The figures show a drop in both absolute and *real terms* since 2000 to just £4000 (\$5,978)
- The typical incomes have dropped in *real terms* by 28% since 2000 and 19% since 2005

Advances

Advances are in decline across the board

- 2/3rds of all respondents had received an advance at some point in their career
- The number of authors receiving advances has been in decline since 2006
- The size of advances is falling with 44% stating the value of their advances had declined Over the past 5 years



Buy-out contracts



- 46% of authors have signed a buy-out contract at some point in their careers
- 30% of authors had seen an increase in such contracts over the past 5 years

The digital impact



- Digital publishing is now the third biggest sector in terms of financial importance to UK writers

- The e-reading market is still showing steady progression, with sales in 2013 rising by 20% to £357 million (\$533m).
- Total physical and e-book sales fell in 2013 by 2% reaching £3.4bn (\$5.08bn)

Do it yourself

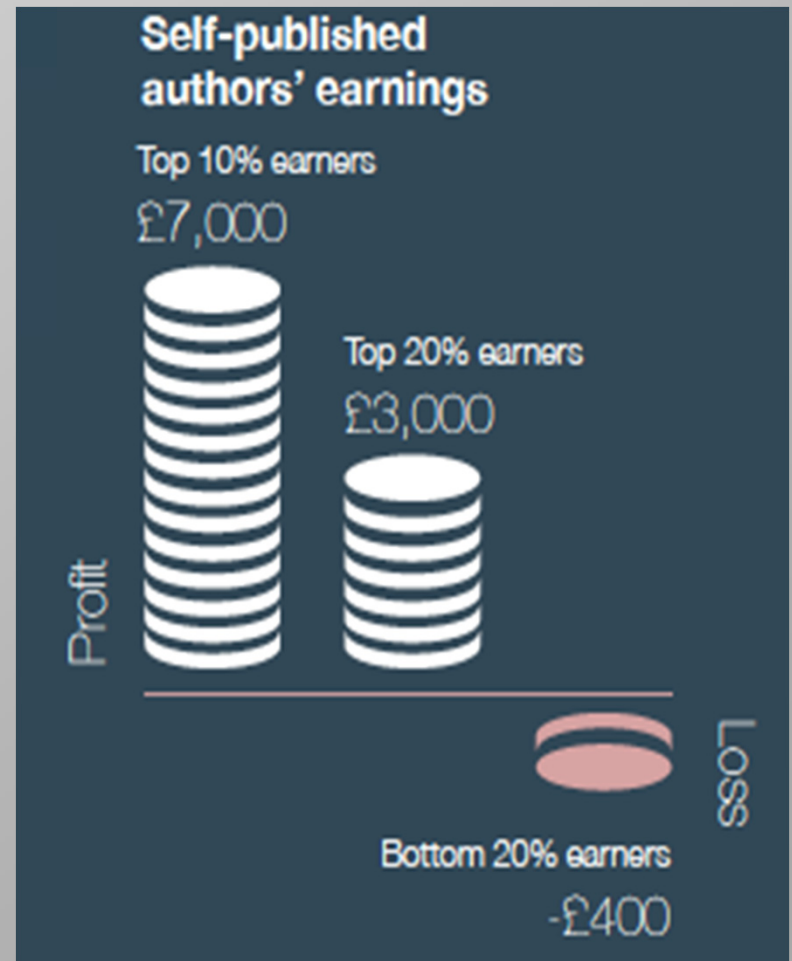
- Just over 25% of writers have self-published a work
- The typical return on investment is 40%
- 86% of those who had self-published would do so again

However returns are still far higher from traditionally published works

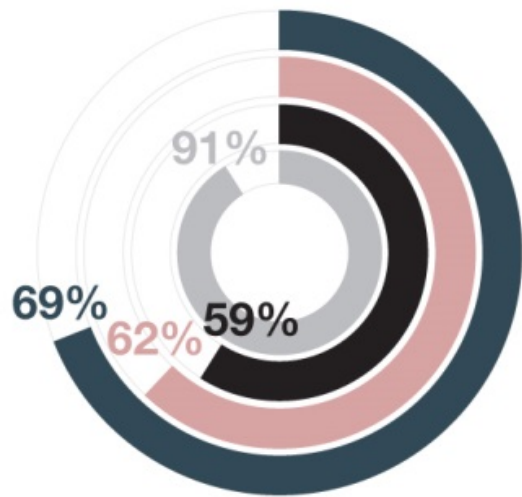


Self-publishing

- The top 10% earners among self-published authors made a profit of £7,000 or more
- The top 20% earners among self-published authors made a profit of nearly £3,000
- The bottom 20% earners among self-published authors made losses of at least £400

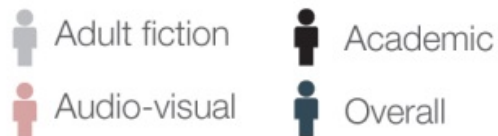


Contracts and rights



Writers retaining copyright

% of writers who 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

Unlike France, in the UK writers have no protection from unfair contract terms. The law assumes equality of bargaining power.

It pays to read the small print

- **57%** of respondents had signed contracts that included a 'rights reversion clause'
- Of these, 38% had used or relied on the reversion clause and of whom **70%** went on to earn more money for that work

Adapt and survive

- Writers need to receive fair compensation for their work
- This means clear, fair contracts with equitable terms and a copyright regime that supports creators and their ability to earn a living from their creativity

EU Study: Contractual arrangements applicable to creators: Law and practice of selected Member States

EU Policy Department 2014

- The UK is lacking the legal frameworks which protect creators in other EU countries.
- EU creators are often subject to onerous contracts and do not receive a fair share of the reward for their creativity.

"European authors are in a difficult position This patchwork of national provisions also prejudices exploiters of copyright works due to the uncertainties they face in an industry that is becoming more and more global.

- *The legal provisions in most Member States pay very little attention to the remuneration of the author;*
- *The weaker position of the author in the enforcement of the protective legal provisions is largely ignored;*
- *Once agreed upon, contracts govern a dynamic and evolving situation usually without any adaptive or corrective measures included;*
- *The obligation of an explicit determination of the scope of transfer of rights proves inefficient in preventing an all-encompassing, and time-unlimited, assignment."*

http://www.europarl.europa.eu/meetdocs/2009_2014/documents/juri/dv/contractualarrangements/contractualarrangements_en.pdf

CREATOR:

- C - Clarity, clear written contracts which set out the exact scope of the rights granted.
- R - fair Remuneration. Equitable and unwaivable remuneration for all forms of exploitation, to include bestseller clauses so if a work does far better than expected the creator shares in its success even if copyright was assigned.
- E - an obligation of Exploitation for each mode of exploitation. Also known as the 'use it or lose it' Clause.
- A - fair, understandable detailed Accounting.
- T - Term. Reasonable and limited contract terms and regular reviews to take into account new forms of exploitation.
- O - Ownership. Authors, including illustrators and translators, should be appropriately credited for all uses of their work and moral rights should be unwaivable.
- R - All other clauses be subject to a general test of Reasonableness:
 - including a list of defined clauses which are automatically deemed to be void and a general safeguarding provision that any contract provision which, contrary to the requirement of good faith, causes a significant imbalance in the parties' rights and obligations arising under the contract, to the detriment of the author shall be regarded as unfair.

Working together

- Agreeing Best Practice through the International Authors Forum- the ten principles
- Media and Public information and support- January 2016 campaign
- Negotiations with Publishers: individual and collective
- Lobbying for legislative change: at National, EU, WIPO level
- Education: ensuring authors understand the terms in their contracts

2016 Campaigns

- Festival Fees and terms (Clarity and Remuneration):
 - Public campaign: *For too long, authors have been persuaded to give our services to the public for free – even though the public is paying in good faith to see us. We are the only people at festivals who are not paid, and yet without us the festivals could not exist. Writing is a vocation but it is also a profession, and it is time we all stiffened our spines, dug in our heels and said no* Amanda Craig
 - Meeting Festivals
 - Minimum Practice Guidelines



Exposing “Exposure”

exposure

ɪk'spəʊʒə, ɛk-/

noun

noun: exposure

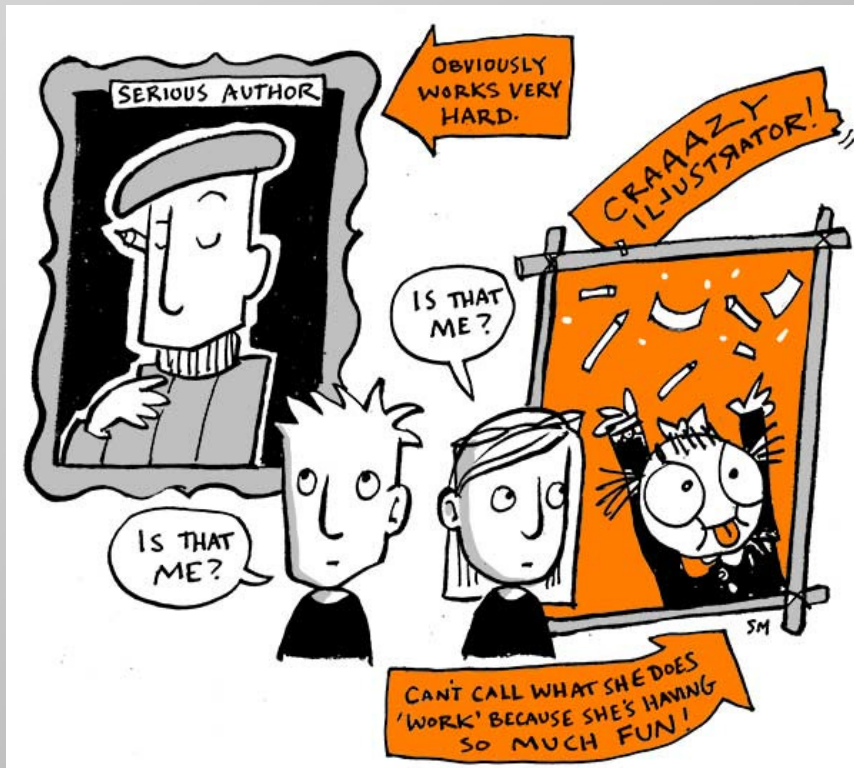
- the state of having no protection from something harmful.
- a physical condition resulting from being left outside in the cold without adequate protection.
- the action of placing oneself at risk of financial losses, .
- the revelation of something secret, especially something embarrassing or damaging.

Credits (“Ownership”)

- Name the Translator
- Pictures Mean Business



Haruki Marukami
(Jay Rubin)



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Summary

“New media and new forms of buying and lending are all very interesting, for all kinds of reasons, but one principle remains unchanged: authors must be paid fairly for their work. Any arrangement that doesn't acknowledge that principle is a bad one, and needs to be changed. That is our whole argument.”



Philip Pullman: President of the SoA

@Soc_of_Authors because your advice has unstuck me often & your support in campaigns has been outstanding & you're a force for good!!

Susie M @wrathofgod