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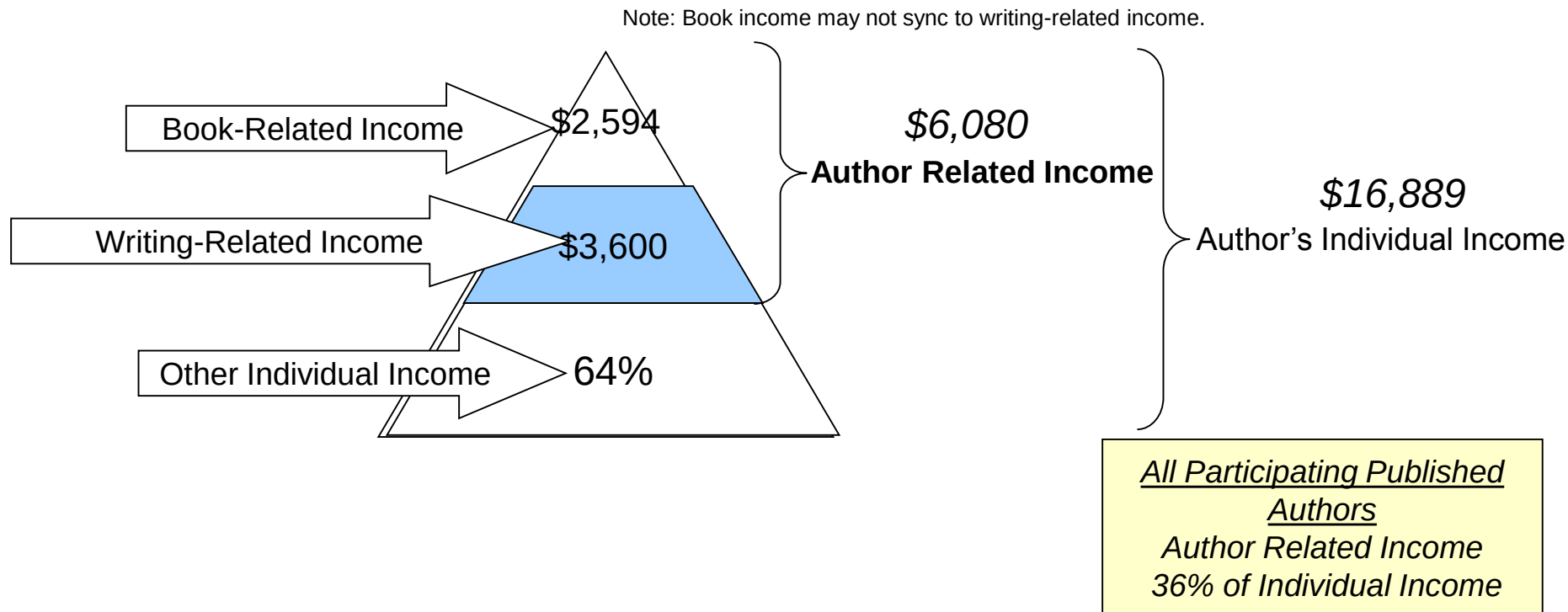
*U.S. Published Book Author Income  
Survey*

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## Overall Author Mean Income – All Published Authors in 2017 (traditionally published, self-published and hybrid published)



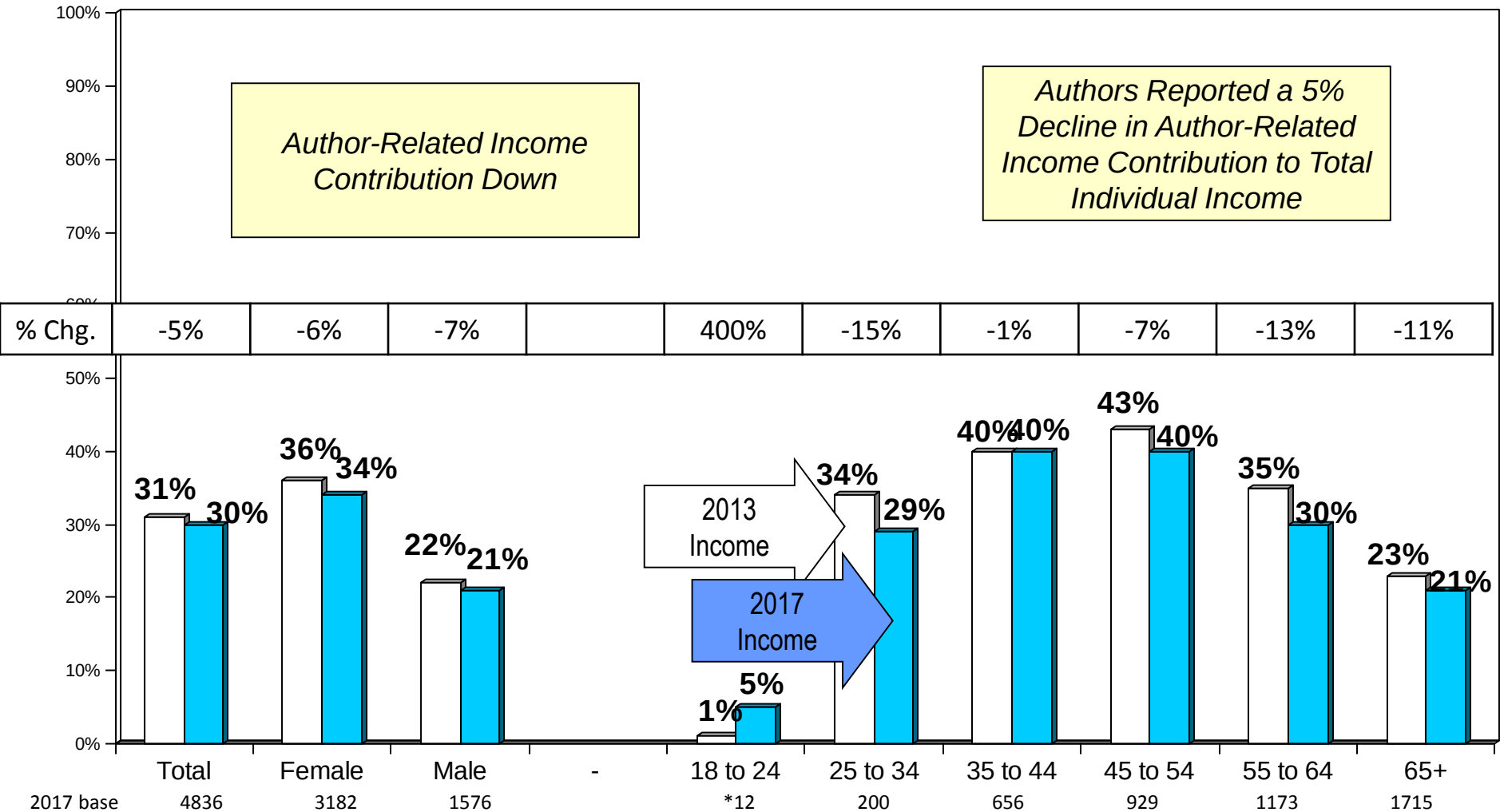
\*Book-related income includes advances, royalties, subsidiary rights, film rights, audio book rights, international rights, book prizes/awards.

\*\* Writing-related income includes 18 activities that authors participate in utilizing their writing skills to earn additional income, including speaking engagements, teaching of writing, freelance journalism, book editing, ghostwriting, etc. (see slide 18 for full list)

## Median Published Book Income 2009 v 2014 – All Author-Related Sources –Author Guild Members only

| Median Income                                  | 2009 Earnings<br>Est.-Books<br>(including<br>subsidiary<br>rights and film<br>options) | 2014<br>Earnings<br>Est.-Books<br>(including<br>subsidiary<br>rights and<br>film options) | % Change | n    |
|------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|----------|------|
| All AG Respondents with 2009 Book Income       | \$ 6,250                                                                               | \$ 3,750                                                                                  | -40%     | 1095 |
| "Full-Time" Book Authors with 2009 Book Income | \$ 17,500                                                                              | \$ 12,500                                                                                 | -29%     | 393  |
| All Other Book Authors with 2009 Book Income   | \$ 3,750                                                                               | \$ 1,750                                                                                  | -53%     | 702  |

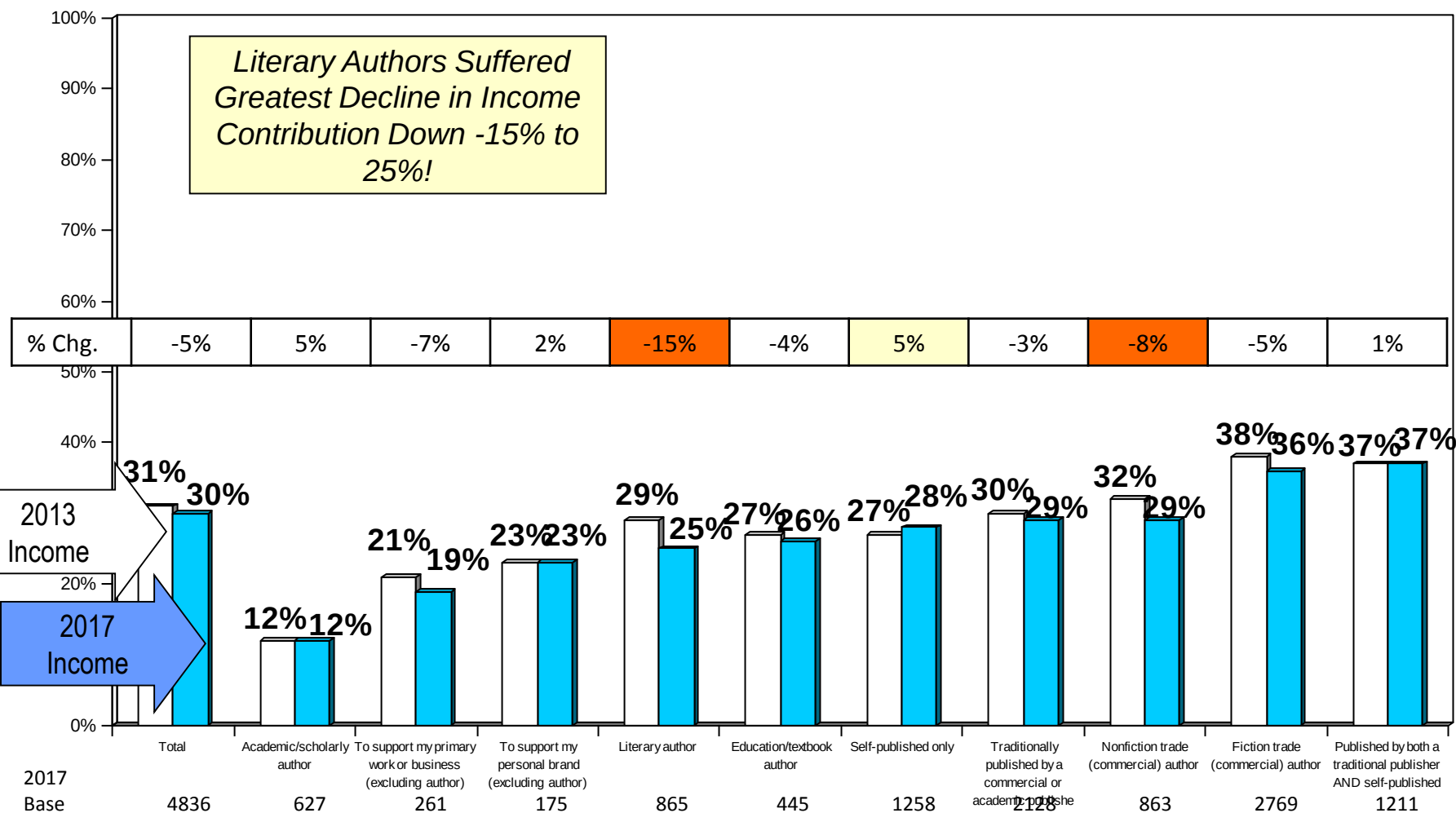
## Author-Related Income Contribution to Total Individual Income 2013 vs. 2017



*Author-Related income contribution to individual income down for all demographics except 35 to 44's.*

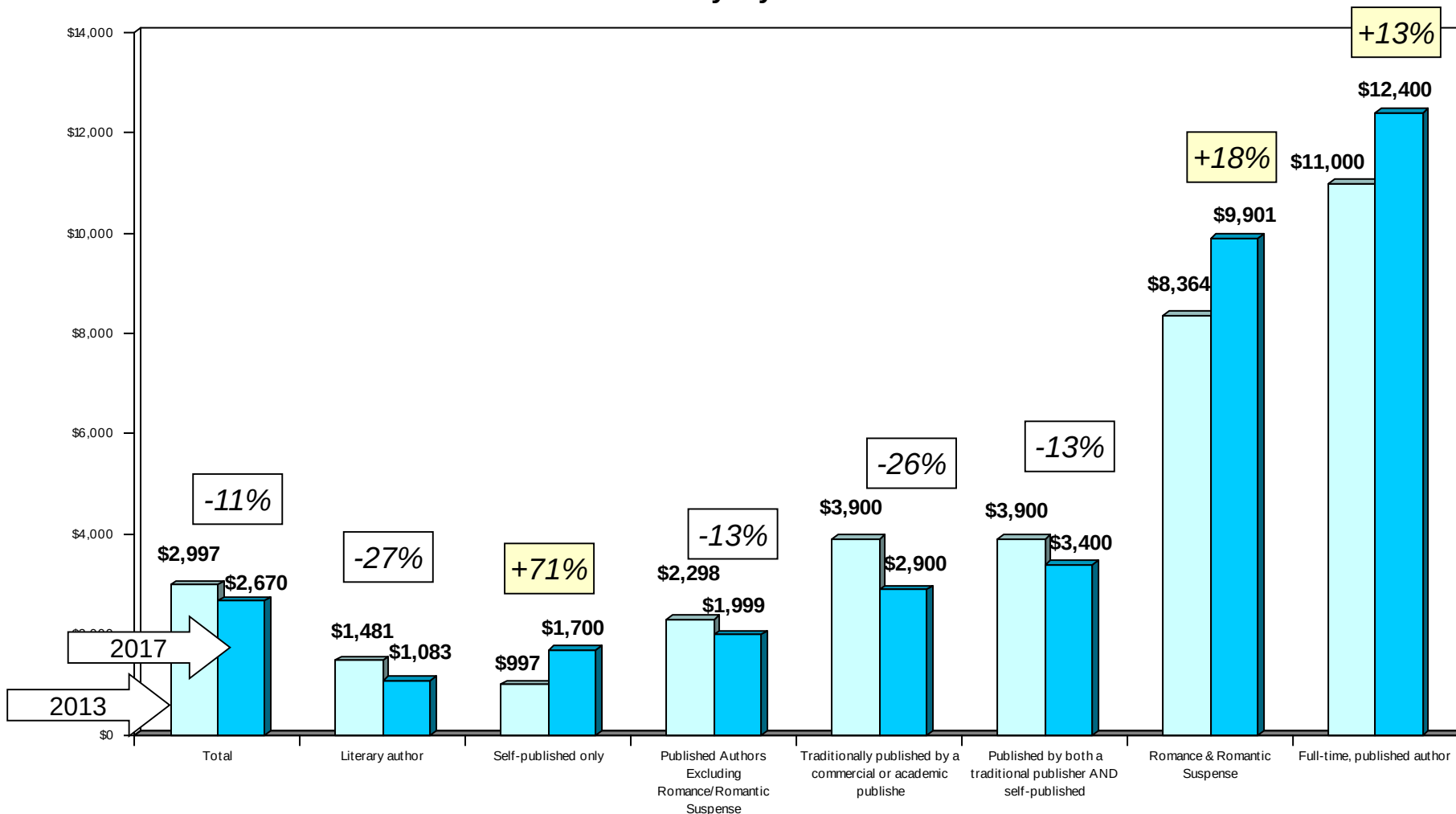
\*Caution: small base. Note: 1.7% of respondents did not classify in "female" or "male" categories.

## Author-Related Income Contribution to Total Individual Income 2013 vs. 2017



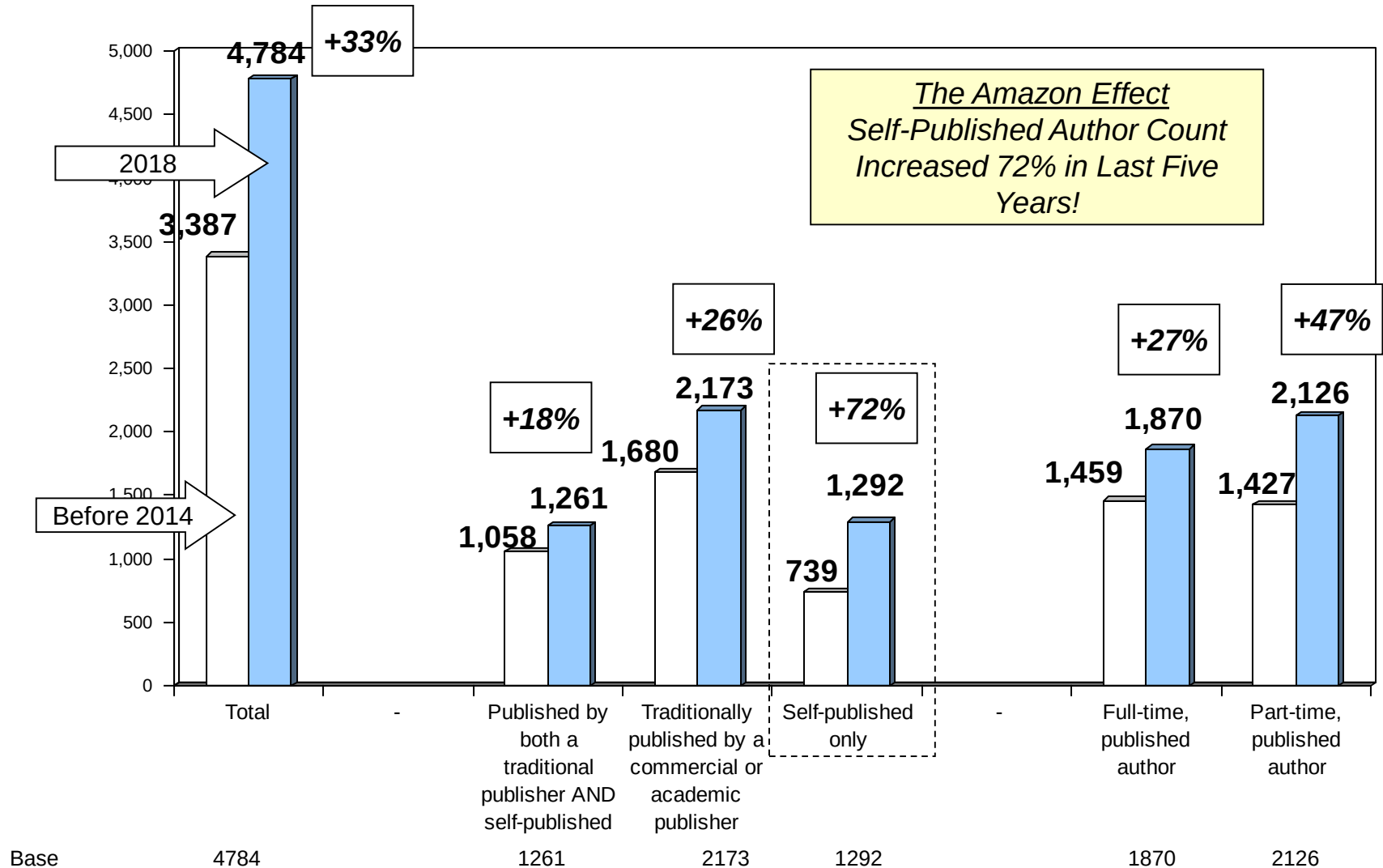
*Self-published authors income contribution increased the most, up 5% to 28% of individual income.*

## Overall Published Author Combined Median Royalty Income is Down 11% in 2017 vs. 2013



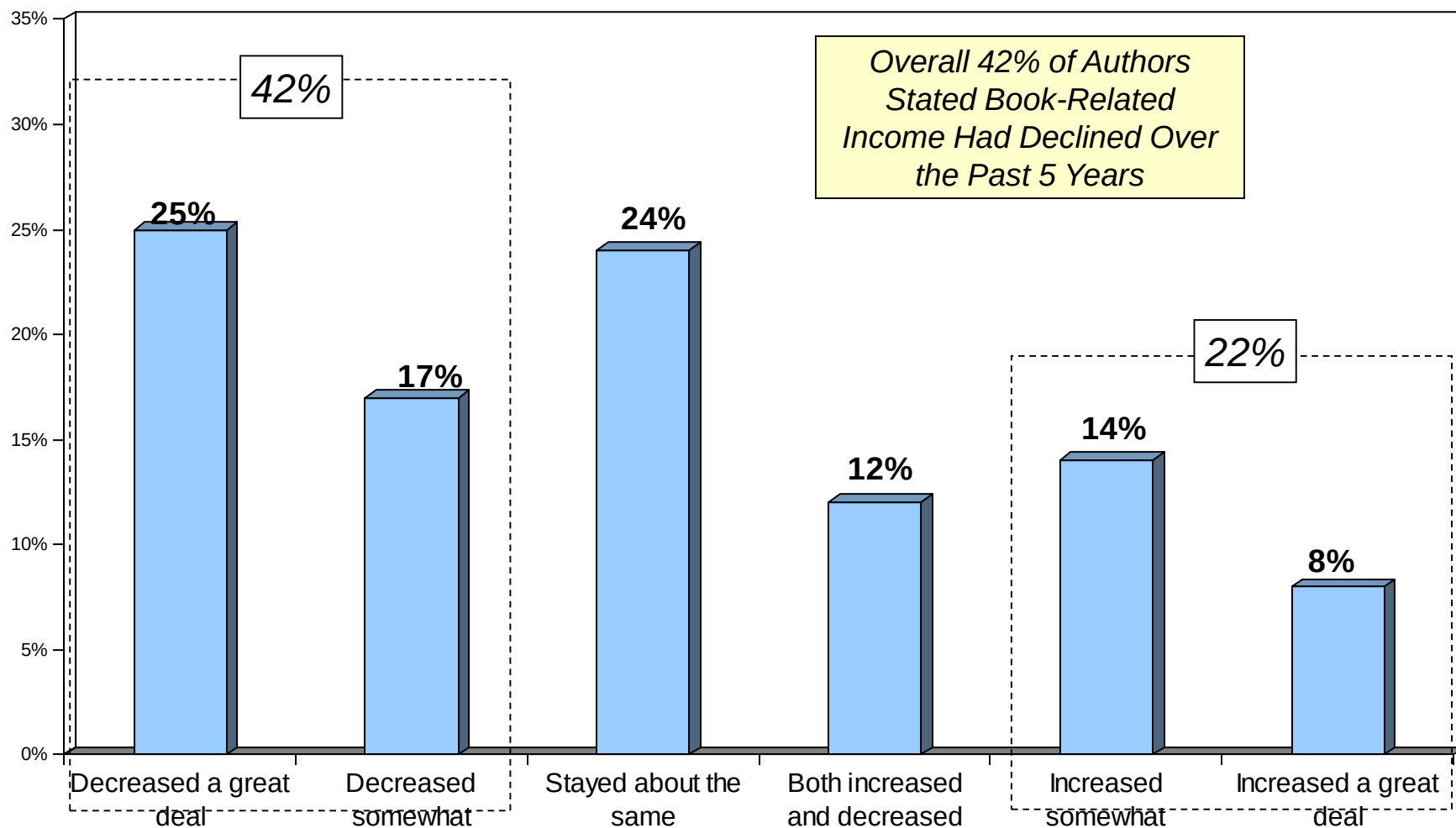
*While overall median royalty income is down, full-time, romance/romantic suspense and self-published authors have seen growth.*

## Those who published first book since 2014 compared to those who published before 2014



*The number of “hybrid” authors have increased only 18%; part-time authors have grown nearly 50%, no surprise given that even “full-time” writers now need additional ways to earn income.*

## Author 5 Year Book-Related Income Trend – Personal Assessment All Authors First Published Before 2014



## Median Published Author Income 2017 – All Author-Related Sources – Published 2013 and Before

| 2017 Total Author Related Median Income:<br>Book Related + Writing Related \$'s -- All Authors<br>First Published 2017 and Earlier | Full-Time,<br>Published<br>Author | Author:<br>Primary<br>Occupation | TOTAL (All<br>Published Authors<br>Participating) | Part-time,<br>published<br>author |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|---------------------------------------------------|-----------------------------------|
| Base                                                                                                                               | 1816                              | 2470                             | 4592                                              | 2017                              |
| % with \$0 Author Related Income                                                                                                   | 18%                               | 20%                              | 25%                                               | 25%                               |
| <b>All Published Authors Participating</b>                                                                                         | <b>\$9,990</b>                    | <b>\$5,300</b>                   | <b>\$1,784</b>                                    | <b>\$850</b>                      |
| <b>Authors with Any Author Income in Year</b>                                                                                      | <b>\$20,300</b>                   | <b>\$13,400</b>                  | <b>\$ 6,080</b>                                   | <b>\$ 2,665</b>                   |

# Median Published Author Income 2017 – All Author-Related Income – All Authors by Genre

| All Authors<br>Related \$ Income<br>(combined book + non-<br>book, writing related)<br>2017 | Total Author<br>Income | Currently<br>Distribute<br>KindleUnli<br>mited | All Self-<br>Publishing<br>Platforms<br>ex. KU | CreateSpa<br>ce | Kindle<br>Direct<br>Publishing<br>(KDP) |
|---------------------------------------------------------------------------------------------|------------------------|------------------------------------------------|------------------------------------------------|-----------------|-----------------------------------------|
| Median with Zero                                                                            |                        | \$ 1,280                                       | \$ 3,400                                       | \$ 3,000        | \$ 2,530                                |
| Median no Zero                                                                              |                        | \$ 3,400                                       | \$ 7,960                                       | \$ 6,700        | \$ 6,800                                |
| N                                                                                           |                        | 651                                            | 6,067                                          | 1502            | 1805                                    |

| Total Author Related \$<br>Income (combined book +<br>non-book, writing related)<br>2017 | Mystery,<br>Thriller,<br>Suspense | History<br>(trade) | Young<br>Adult<br>Fiction | Childrens<br>Fiction | History<br>(Academic<br>) | Romance<br>&<br>Romantic<br>Suspense | Literary<br>Fiction | Biography,<br>Autobiogr<br>aphy &<br>Memoir |
|------------------------------------------------------------------------------------------|-----------------------------------|--------------------|---------------------------|----------------------|---------------------------|--------------------------------------|---------------------|---------------------------------------------|
| Median with Zero Incomes                                                                 | \$ 1,590                          | \$ 1,240           | \$ 1,280                  | \$ 1,770             | \$ 2,100                  | \$ 4,025                             | \$ 1,400            | \$ 2,003                                    |
| Median no Zero Incomes                                                                   | \$ 4,450                          | \$ 4,590           | \$ 4,900                  | \$ 5,970             | \$ 6,175                  | \$ 8,950                             | \$ 10,000           | \$ 10,000                                   |
| N                                                                                        | 719                               | 197                | 286                       | 441                  | 127                       | 880                                  | 261                 | 194                                         |

## Median Published Author Related Income 2017 – Self-Published Authors by Major Genres

### Self-published Authors

#### Total Author Related \$ Income (combined book + non-book, writing related) 2017

| Total                 |                             |                             |         |                     |                  |
|-----------------------|-----------------------------|-----------------------------|---------|---------------------|------------------|
|                       | Romance & Romantic Suspense | Mystery, Thriller, Suspense | Fantasy | Young Adult Fiction | Literary Fiction |
| Self-published author |                             |                             |         |                     |                  |
| Base w/ Zero          | 324                         | 200                         | 162     | 97                  | 61               |
| Base no Zero          | 284                         | 153                         | 121     | 73                  | 40               |
| Median w/ zero        | \$ 5,991                    | \$ 490                      | \$ 198  | \$ 348              | \$ 198           |
| Median No Zero        | \$ 10,050                   | \$ 1,900                    | \$ 695  | \$ 1,280            | \$ 781           |
| % Zero                | 12%                         | 24%                         | 25%     | 25%                 | 34%              |

#### % Change 2017 vs. 2013

|                | Romance & Romantic Suspense | Mystery, Thriller, Suspense | Fantasy | Young Adult Fiction | Literary Fiction |
|----------------|-----------------------------|-----------------------------|---------|---------------------|------------------|
| Median w/ zero | 110%                        | 159%                        | 340%    | 364%                | 890%             |
| Median No Zero | 0%                          | -22%                        | 74%     | 178%                | 525%             |

#### Total Author Related \$ Income (combined book + non-book, writing related) 2013

| 2013 and earlier      |                             |                             |         |                     |                  |
|-----------------------|-----------------------------|-----------------------------|---------|---------------------|------------------|
|                       | Romance & Romantic Suspense | Mystery, Thriller, Suspense | Fantasy | Young Adult Fiction | Literary Fiction |
| Self-published author |                             |                             |         |                     |                  |
| Base w/ Zero          | 186                         | 137                         | 101     | 67                  | 44               |
| Base no Zero          | 146                         | 86                          | 65      | 43                  | 22               |
| Median w/ zero        | \$ 2,853                    | \$ 189                      | \$ 45   | \$ 75               | \$ 20            |
| Median No Zero        | \$ 10,000                   | \$ 2,450                    | \$ 400  | \$ 460              | \$ 125           |
| % Zero                | 22%                         | 37%                         | 36%     | 36%                 | 50%              |

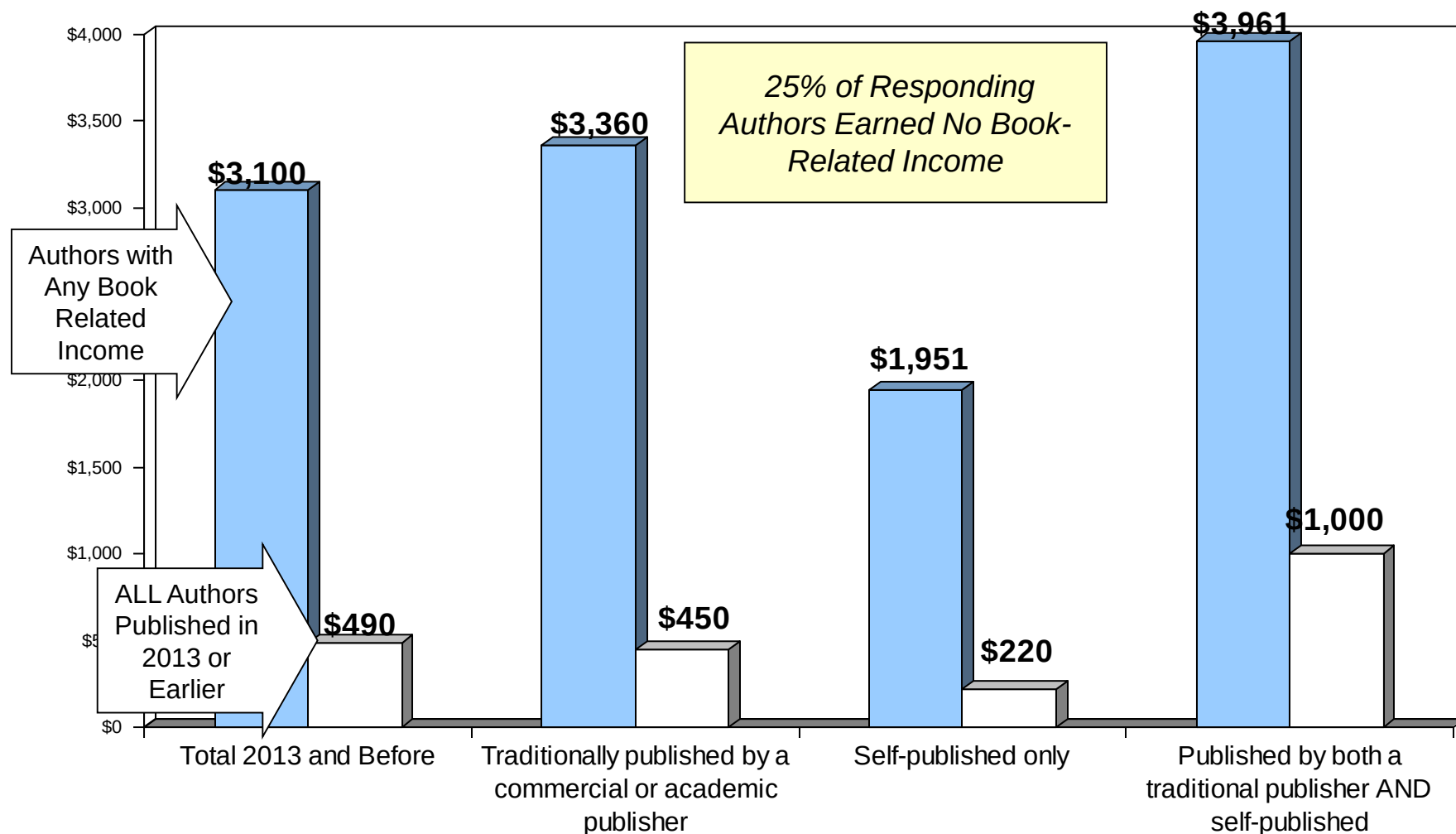
*Self-published Romance & Romantic Suspense authors have by far the highest median author related income, earning at least 4X to 5X more than other categories of self-published authors.*

## Median Published Author Income 2017/Book and Writing-Related Sources – All Authors by Publishing Method

|                                                                                                                                        |                                                               |                             |                             |                     |              |                             |                                                              |  |              |                             |                             |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------|-----------------------------|---------------------|--------------|-----------------------------|--------------------------------------------------------------|--|--------------|-----------------------------|-----------------------------|
| As a published book author, which of the following best describes your current publishing status? (pick one) - Traditional v. Self-Pub | Traditionally published by a commercial or academic publisher |                             |                             | Self-published only |              |                             | Published by both a traditional publisher AND self-published |  |              |                             |                             |
| Which one of these best describes your author status at present? (pick one)                                                            |                                                               |                             |                             |                     |              |                             |                                                              |  |              |                             |                             |
| Total Author Related \$ Income (combined book + non-book, writing related) 2017                                                        | Professional                                                  | Full-time, published author | Part-time, published author |                     | Professional | Full-time, published author | Part-time, published author                                  |  | Professional | Full-time, published author | Part-time, published author |
| Total                                                                                                                                  | 1822                                                          | 822                         | 966                         |                     | 994          | 459                         | 659                                                          |  | 1120         | 592                         | 530                         |
| Total No Zero                                                                                                                          | 1323                                                          | 634                         | 704                         |                     | 751          | 380                         | 451                                                          |  | 894          | 498                         | 415                         |
| Total Median                                                                                                                           | \$ 2,950                                                      | \$ 8,150                    | \$ 1,475                    |                     | \$ 1,040     | \$ 8,025                    | \$ 200                                                       |  | \$ 3,172     | \$ 11,800                   | \$ 1,155                    |
| Total Median No Zero                                                                                                                   | \$ 10,100                                                     | \$ 20,200                   | \$ 4,970                    |                     | \$ 3,965     | \$ 19,000                   | \$ 981                                                       |  | \$ 8,310     | \$ 20,857                   | \$ 2,637                    |
| % Zero                                                                                                                                 | 27%                                                           | 23%                         | 27%                         |                     | 24%          | 17%                         | 32%                                                          |  | 20%          | 16%                         | 22%                         |

Note that traditionally published authors earn nearly 3x more than self-published authors overall. The numbers are nearly identical, however, for full-time traditional and full-time self-published authors.

**Median Published Author Income 2017 – All Book-Related Income – Comparing all Authors Published Before 2014 vs. Authors with more than \$0 Book Income in 2017**



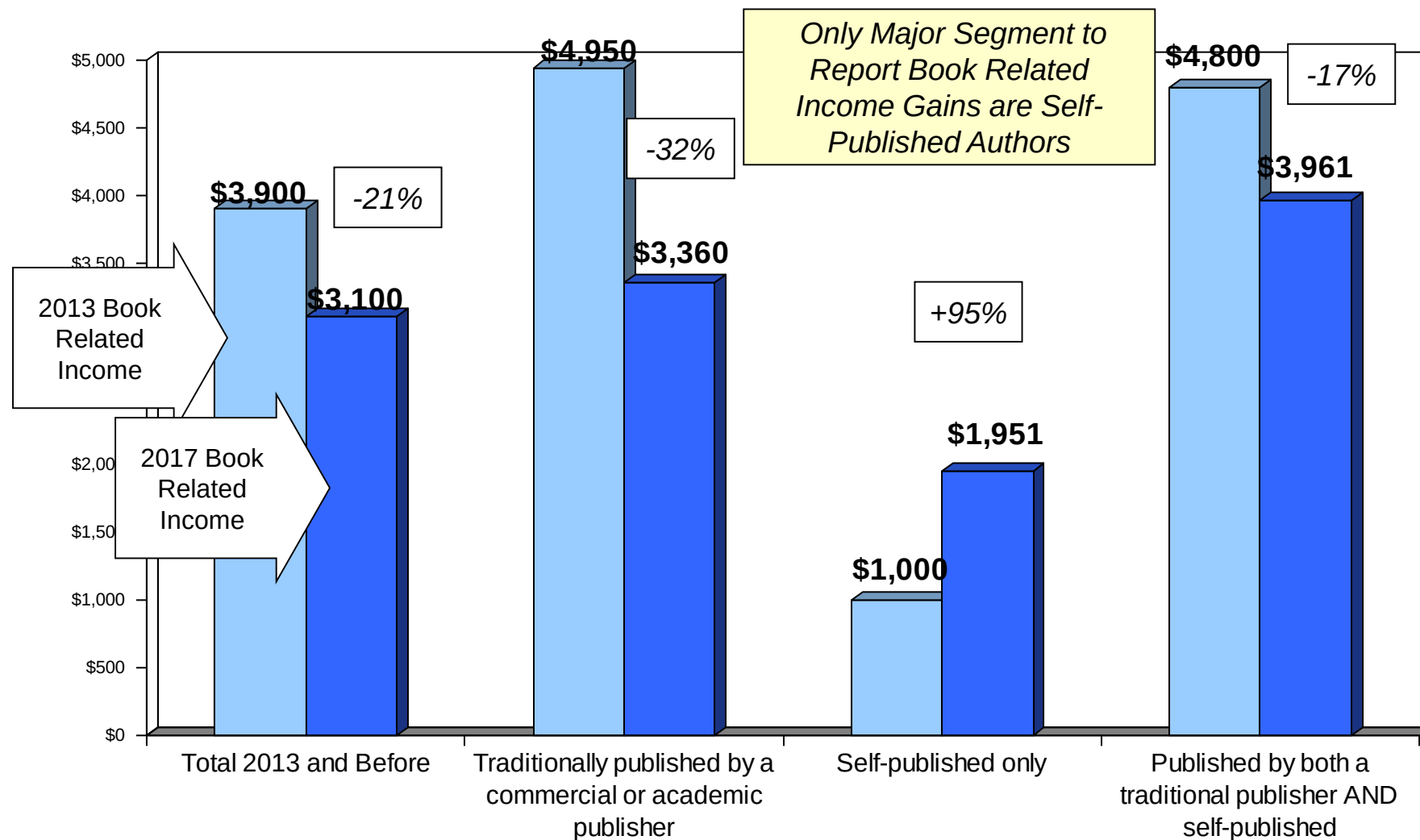
*The median author income rate falls significantly when responding published authors who earned \$0 Income in 2017 are included.*

# Median Published Author Income 2013 v. 2017 – Author-Related Income – Published Before 2014 Authors with More than \$0 Income in Both Years



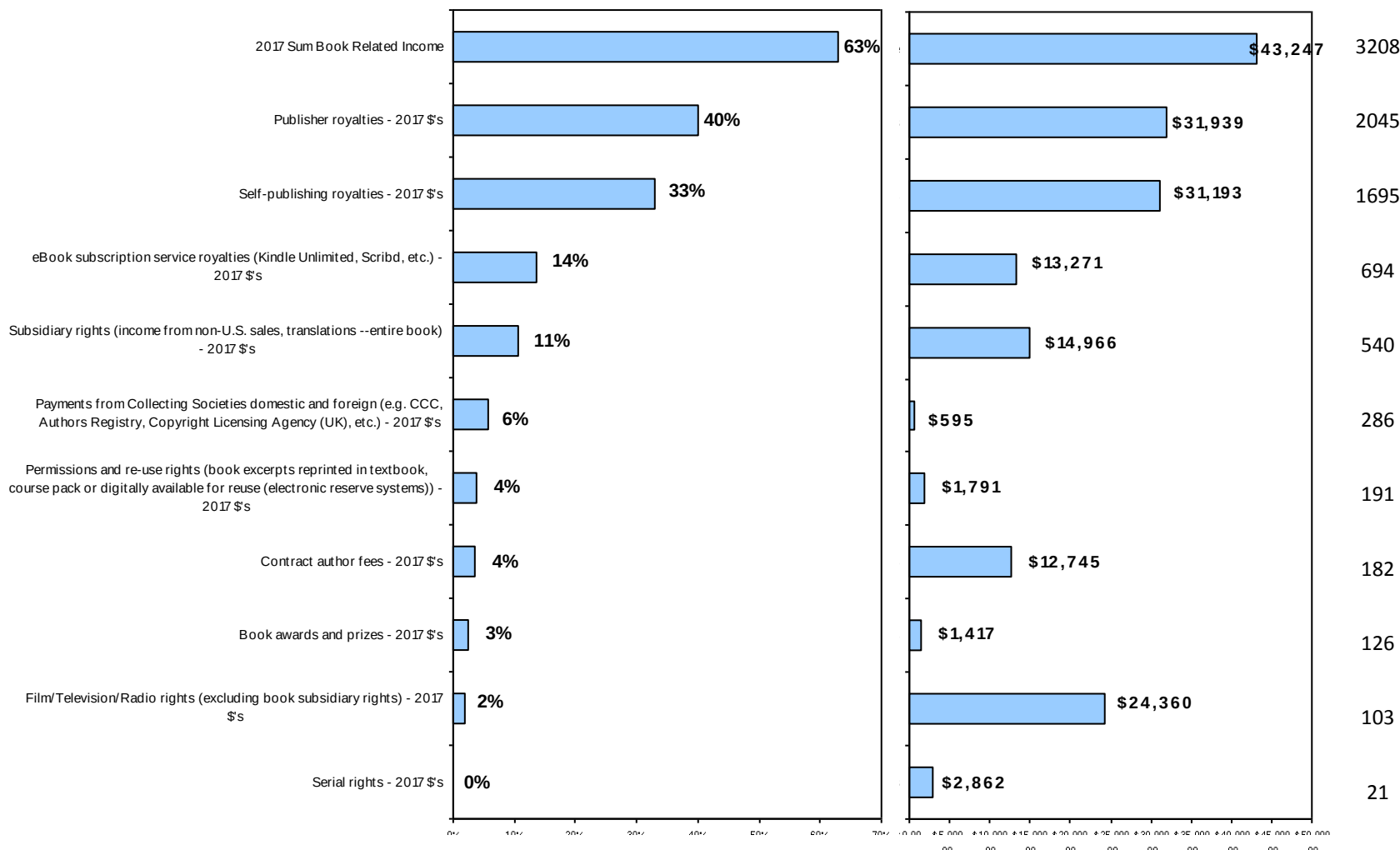
*Among authors with any income – published authors first published prior to 2014 increased author-related income no matter which publishing strategy they used.*

## Median Published Author Income 2013 v. 2017 – All Book-Related Income – – Published Before 2014 Authors with More than \$0 Income in Both Years



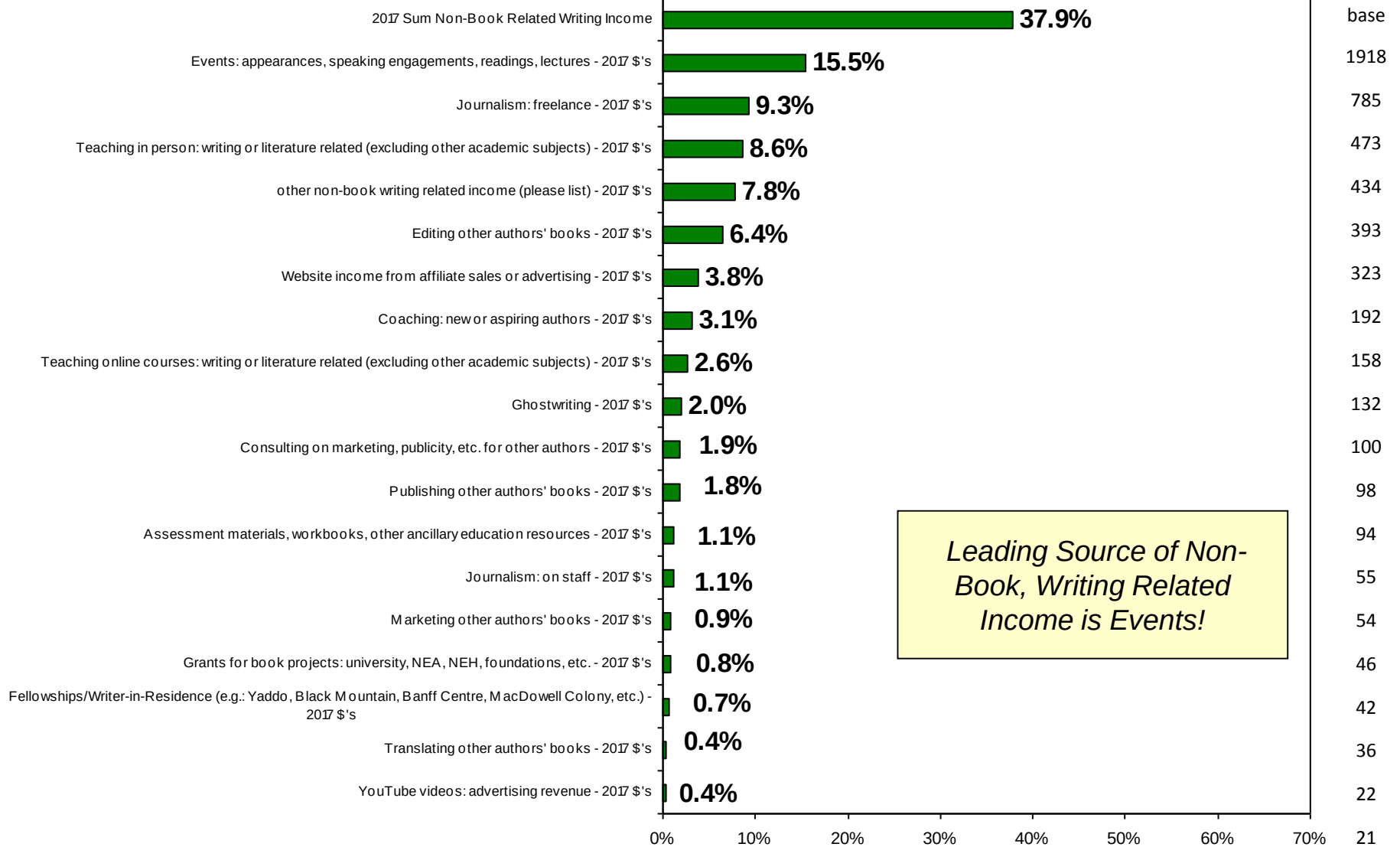
*Traditionally published authors reported largest decline in book-related income.*

## All Authors -- Book Related Income: % Participating in each category in 2017 and Average Participant Income base



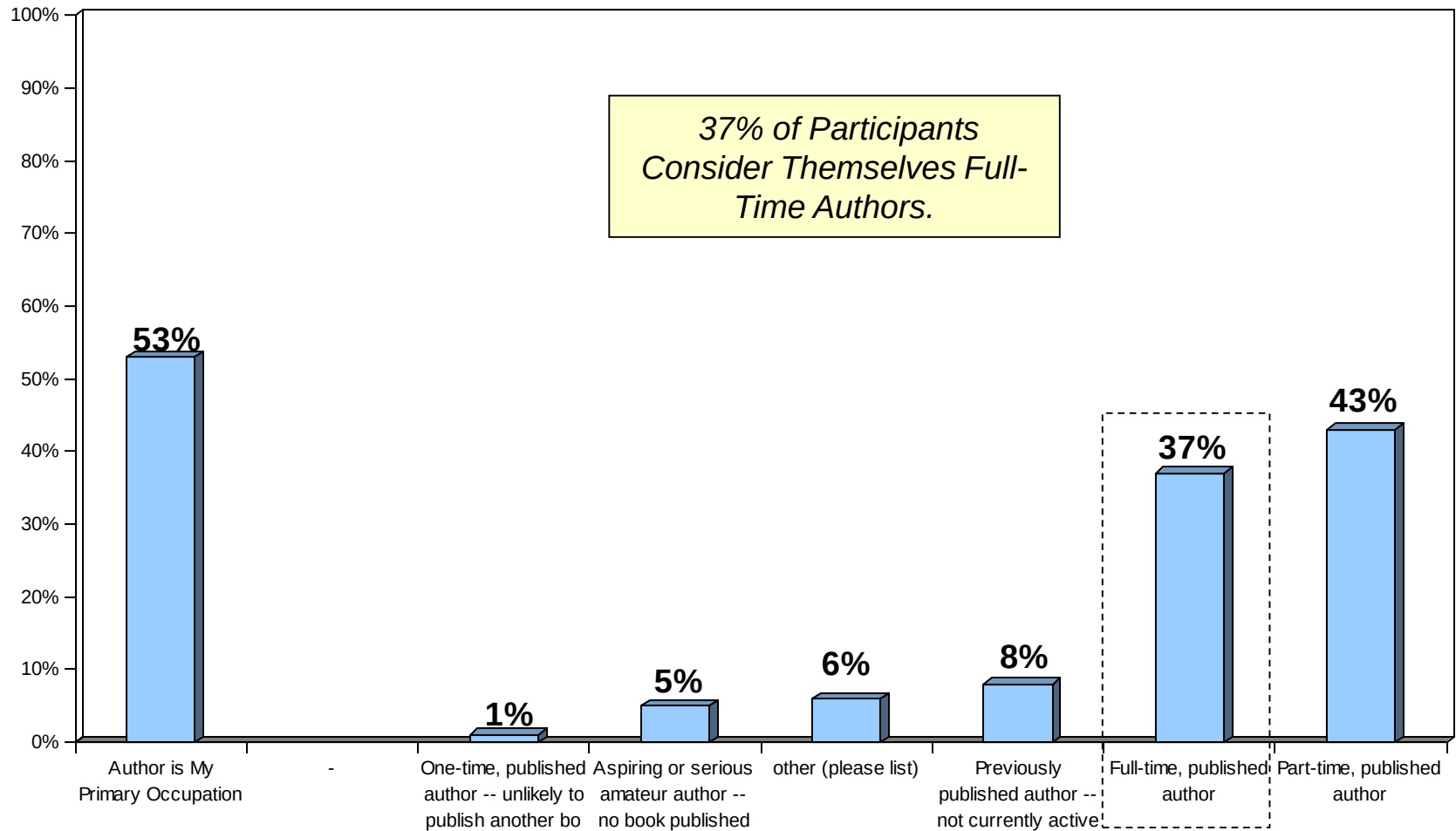
*Among those receiving them -- the average publisher royalty total for 2017 is just marginally greater than for self-publishing royalties, with eBook Subscriptions approaching Subsidiary rights.*

## Author Writing-Related Income Detail -- % Participating in each category in 2017 – Total Sample



*Over 15% of authors earned event and appearance income, followed by freelance journalism at 9% and the teaching of writing at 8.6%.*

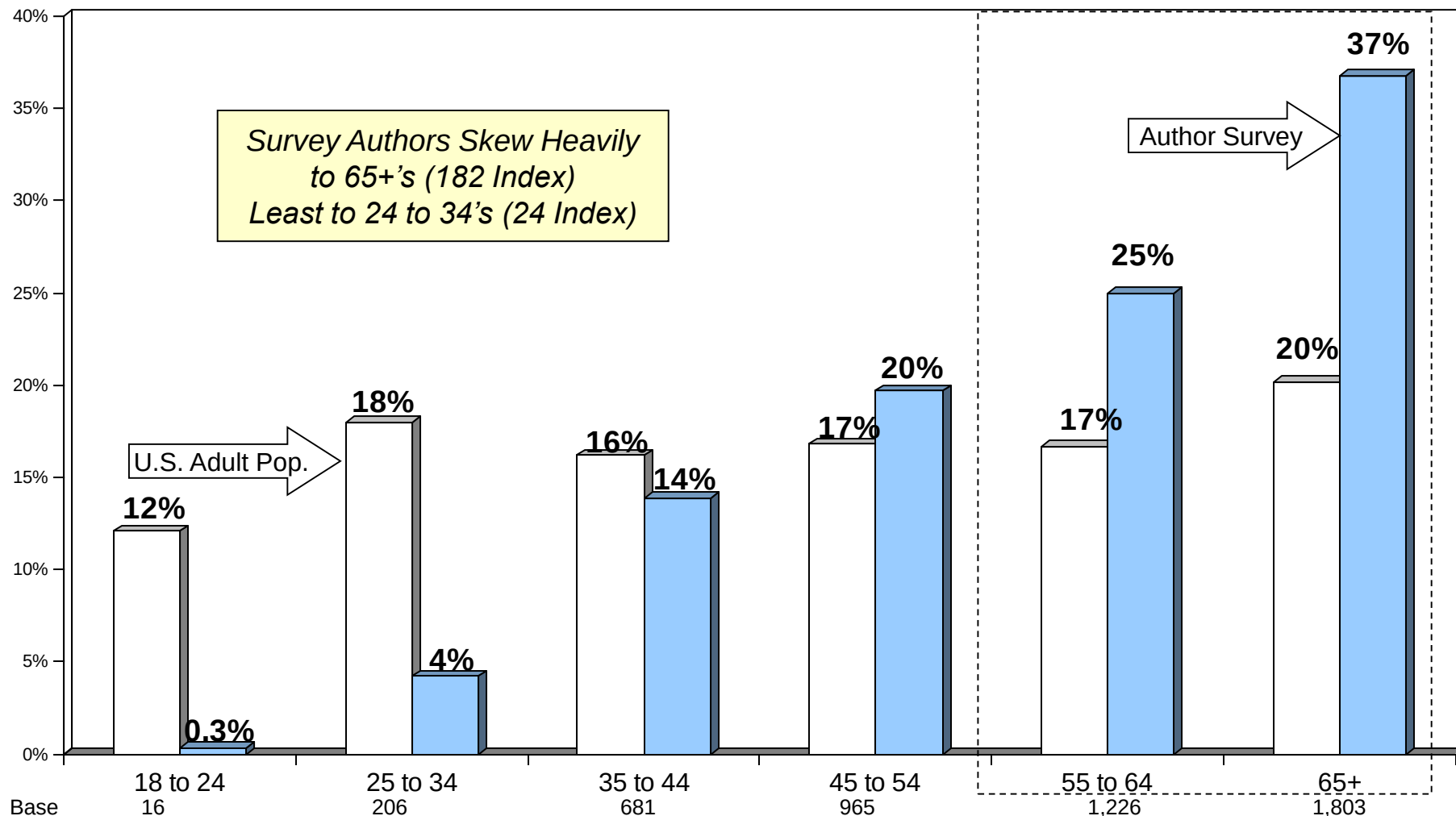
## Author Demographics – Describe Your Author Status



*Over half (53%) consider “Author” as their primary occupation (spend half or more of working time writing books)*

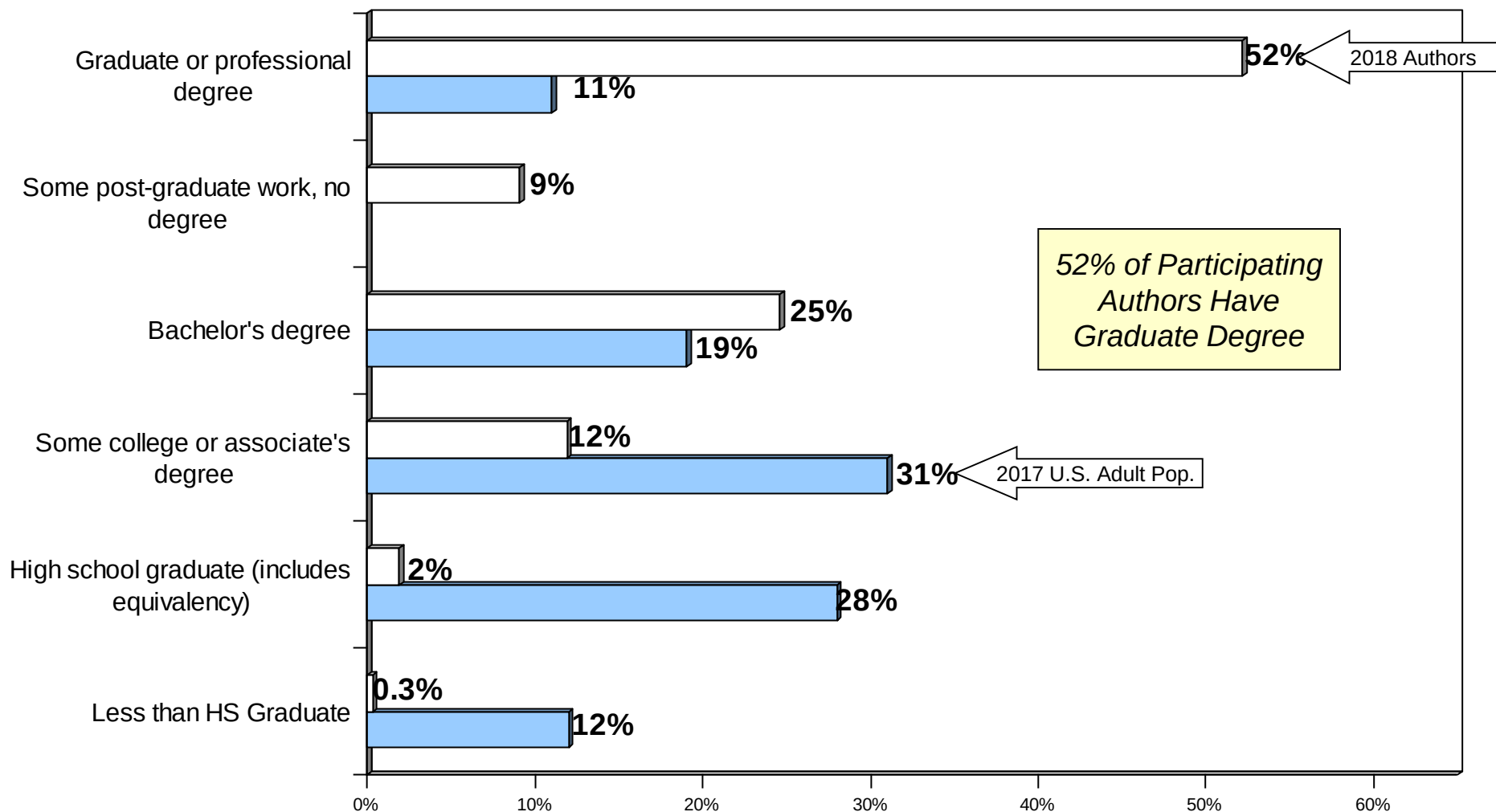
## Author Demographics

Published Book Author Survey vs. % of U.S. Adult Population by Age



*Participating authors skew far older than the overall U.S. adult population – very low 25 to 34 representation, which makes sense since very few authors publish before the age of 35.*

## Author Demographics: Educational Attainment

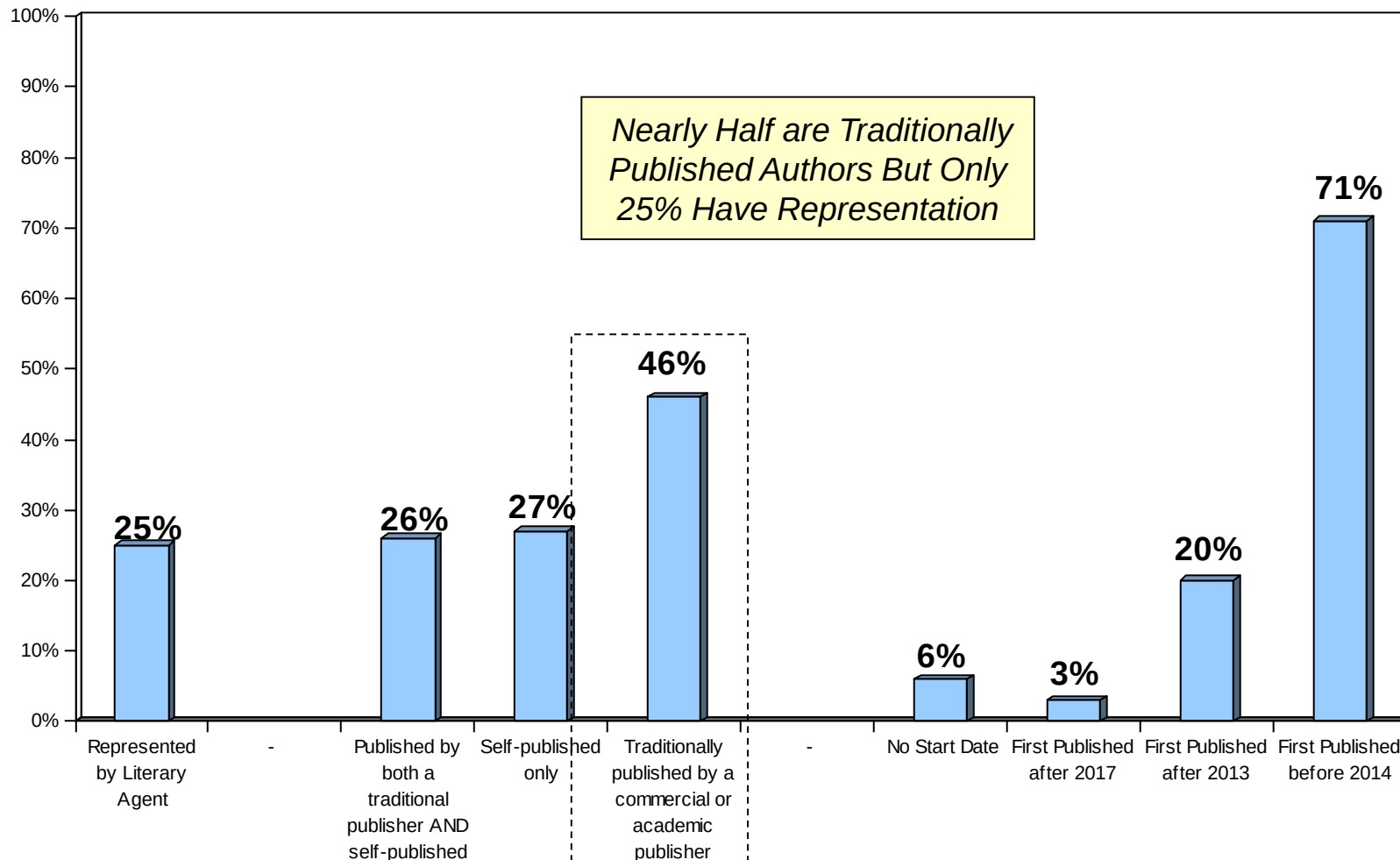


*Authors surveyed have nearly 5X the U.S. average of graduate or professional degrees!*

Base sample: 5,025 authors reporting

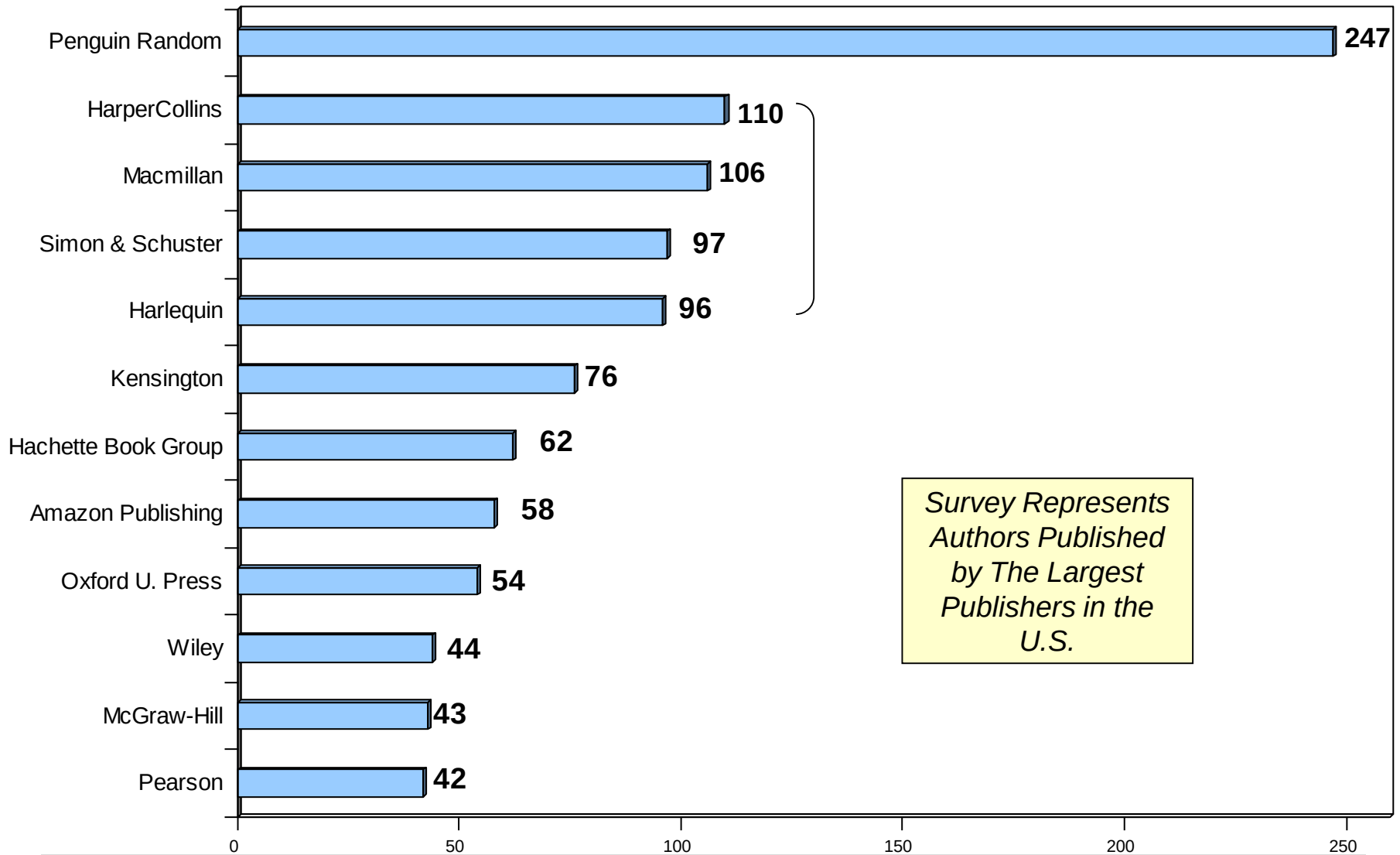
U.S. Census Bureau 7/2017 Estimates

## Author Demographics: Type of Publishing and Agent Representation Status



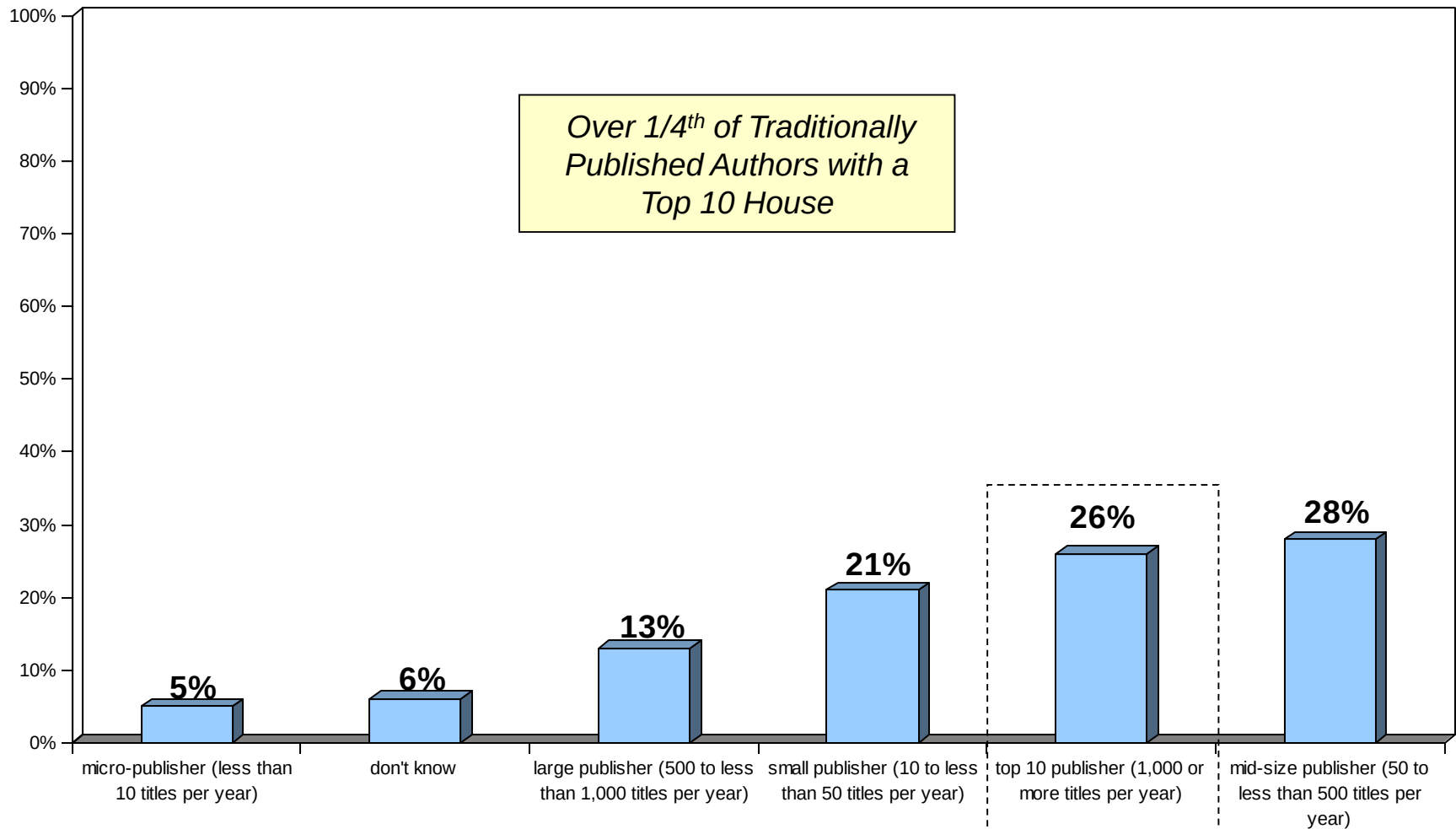
*“Hybrid” authors and purely self-published authors make up just over 1/4<sup>th</sup> of the sample each. Over 70% (3,587) have published for 5+ years – and so can provide 5 year income trend information.*

## Major Publisher Representation Among Traditionally Published Authors



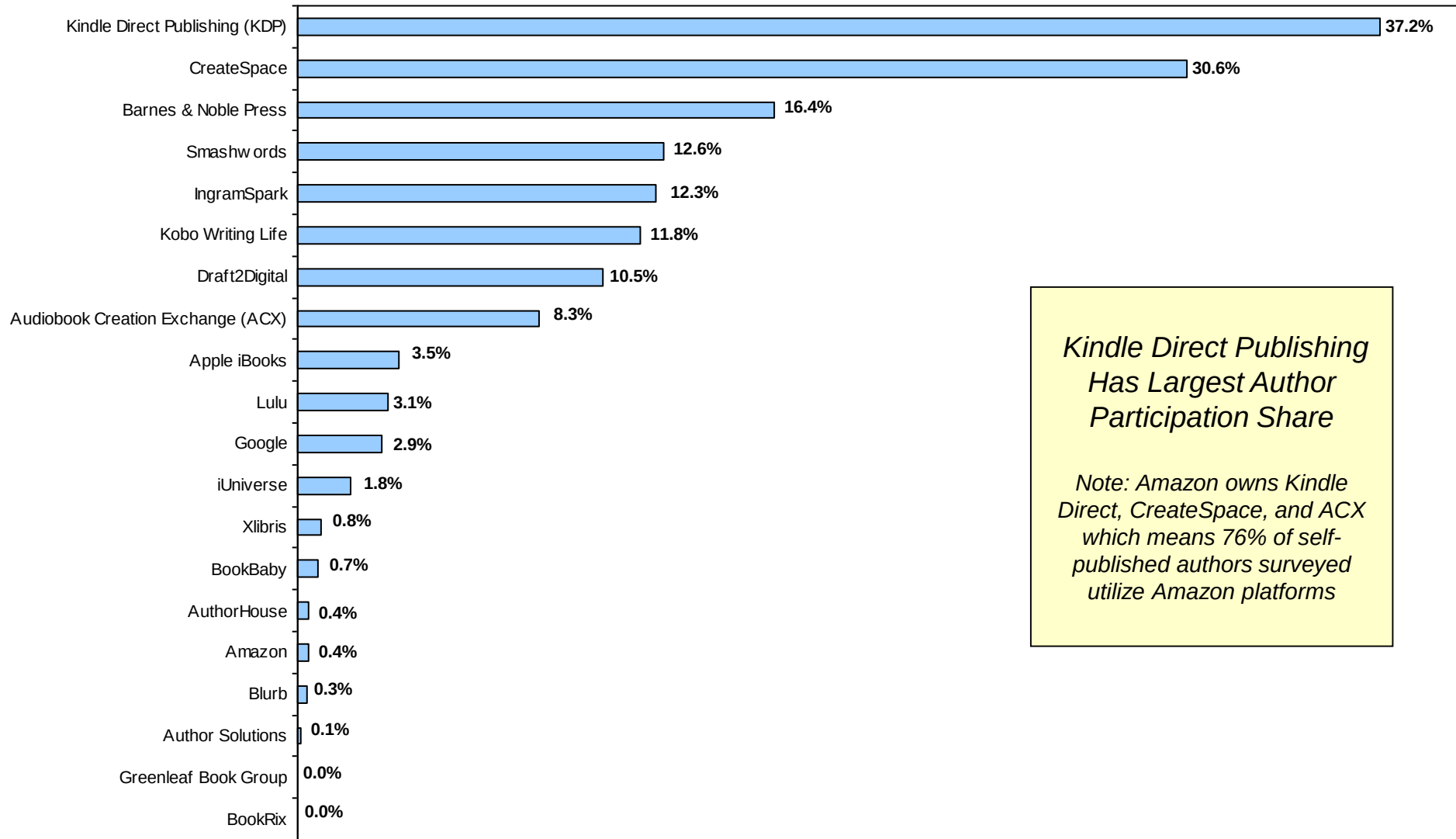
Over 1,000 participants currently published by major publishing companies, led by PRH at nearly 250

## What is the size of your U.S. publisher?



*Of the 73% authors with a publisher -- over half (54%) are with a mid-size or smaller press*

## What Self-Publishing Platform(s) Do You Use?



*Kindle Direct Publishing  
Has Largest Author  
Participation Share*

*Note: Amazon owns Kindle  
Direct, CreateSpace, and ACX  
which means 76% of self-  
published authors surveyed  
utilize Amazon platforms*

*Next closest competitor to Amazon is B&N Press, with less than 19% of the market*

## Three Biggest Publisher Trends 2013 vs. 2017

### *PUBLICALLY AVAILABLE TREND INFORMATION (AAP and BookScan)*

1. Publisher eBook Revenue is down -36%
2. Publisher Fiction Revenue is down -16%

*As Reported*

### *THE AMAZON EFFECT – ‘BEHIND THE CURTAIN’*

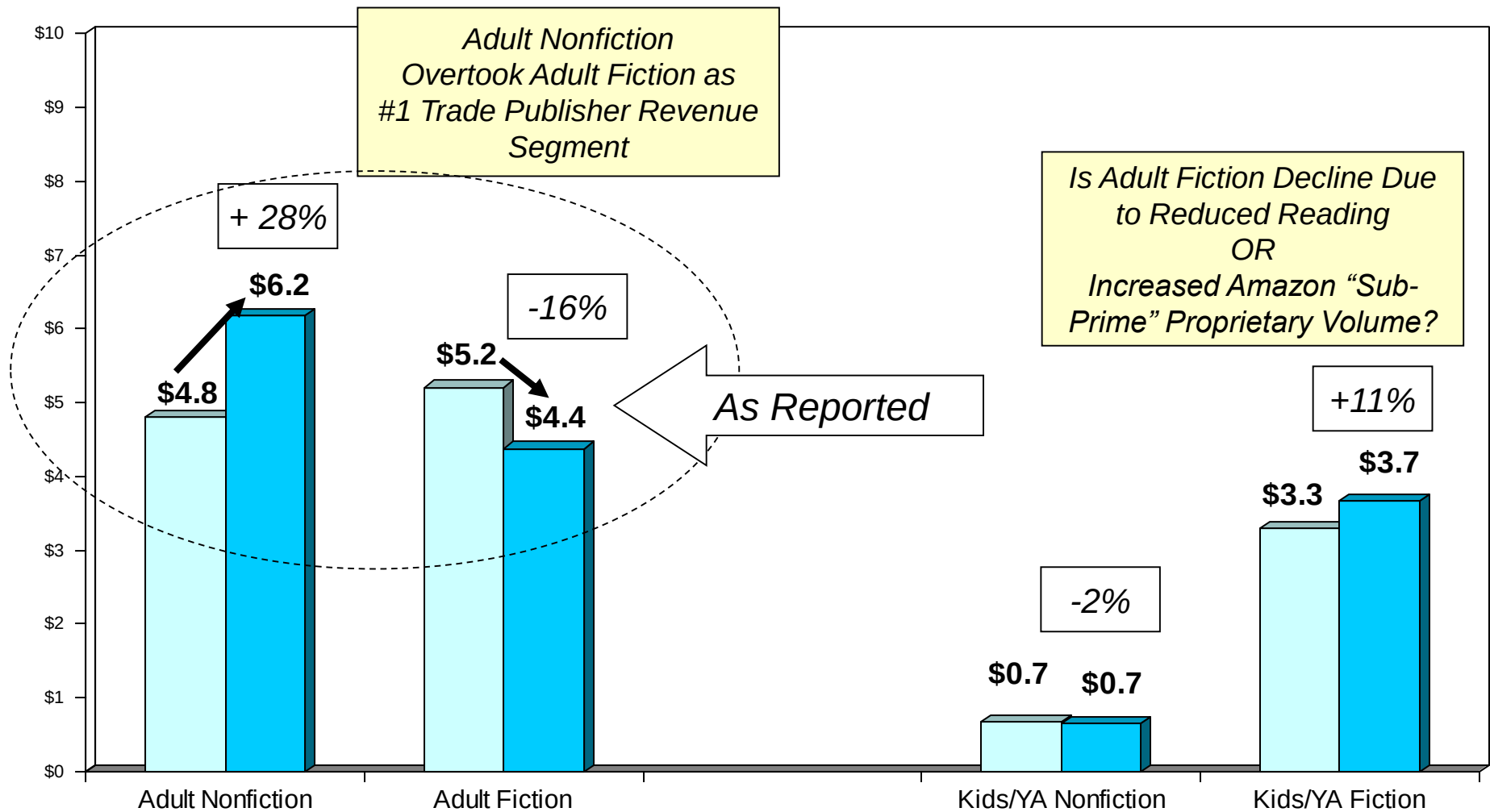
3. Online Sales are Now 68% of Total Adult Book Units!
  - Amazon U.S. New Book Unit Share is up 36%
  - Amazon Kindle Unit Share is up 43%
  - Kindle Unlimited Membership up 21%, 1-in-10 book buyer members (4.6MM)
  - Amazon Prime Membership at 57% (28MM) of past month book buyers
  - Amazon Increasing Owns Genre Fiction (Romance, Romantic Suspense) through “Sub-Prime” pricing and categories

*The Reality!*

*Amazon is Dramatically  
Devaluing the Entire Book  
Market  
Working Authors Are Noticing!*

*The Amazon Effect – Cannibalizing Paid Book Sales for \$.99 or Free – Hidden “Behind the Curtain”!*

## Overall Trade Publisher Net Revenue Trends (\$B) 2013 vs. 2017 – Fiction vs. Nonfiction

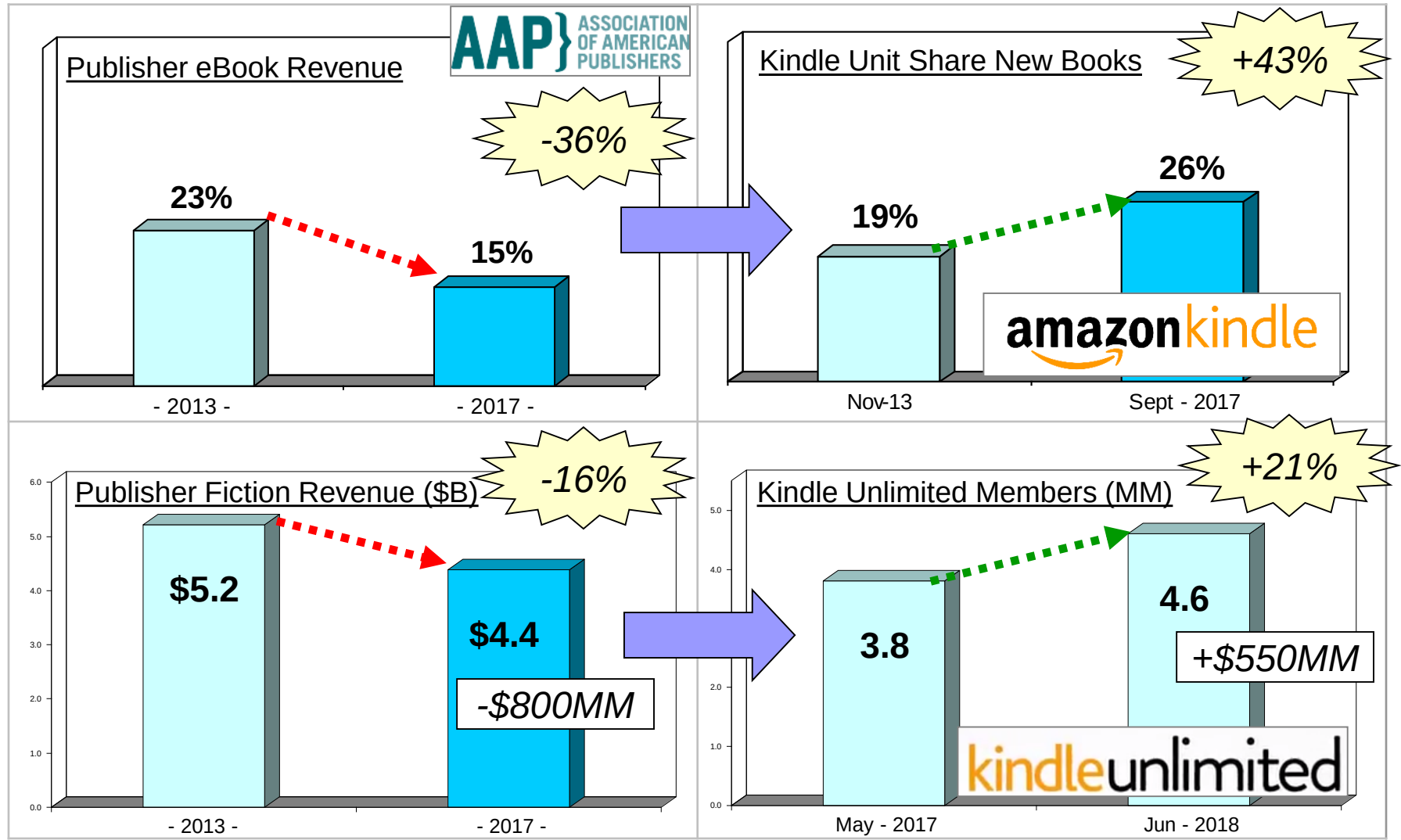


*Adult Nonfiction up 28% for publishers vs. 2013, while Adult Fiction was down -16%.*

**Reported**

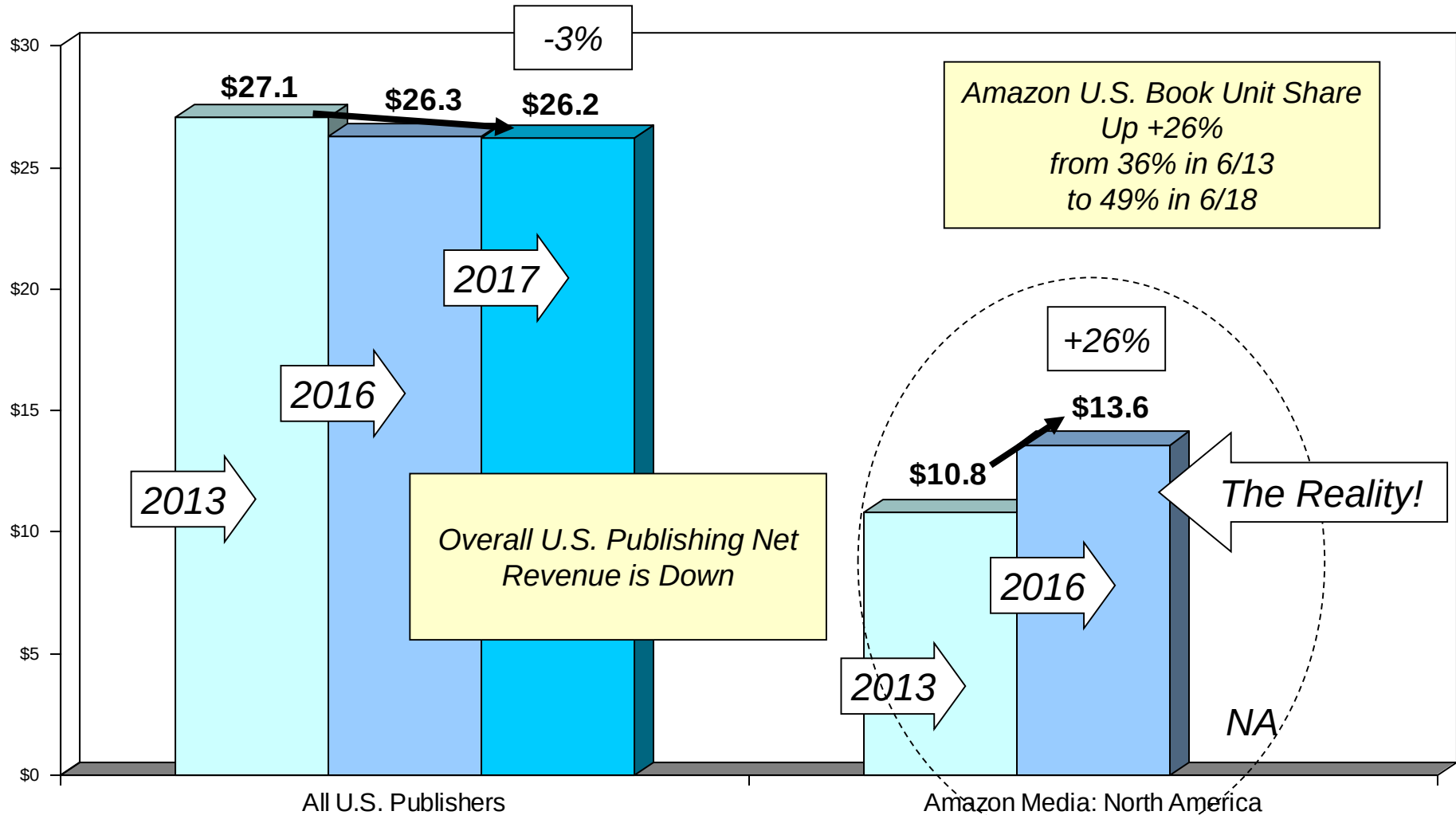
....VS....

**Reality**



**Amazon Significantly Cannibalizing U.S. Publishers' eBook and Fiction Businesses!**  
**Kindle Unlimited \$9.99/Month Subscription Plan Destroying Author/Book Value -- Growing Fast!**

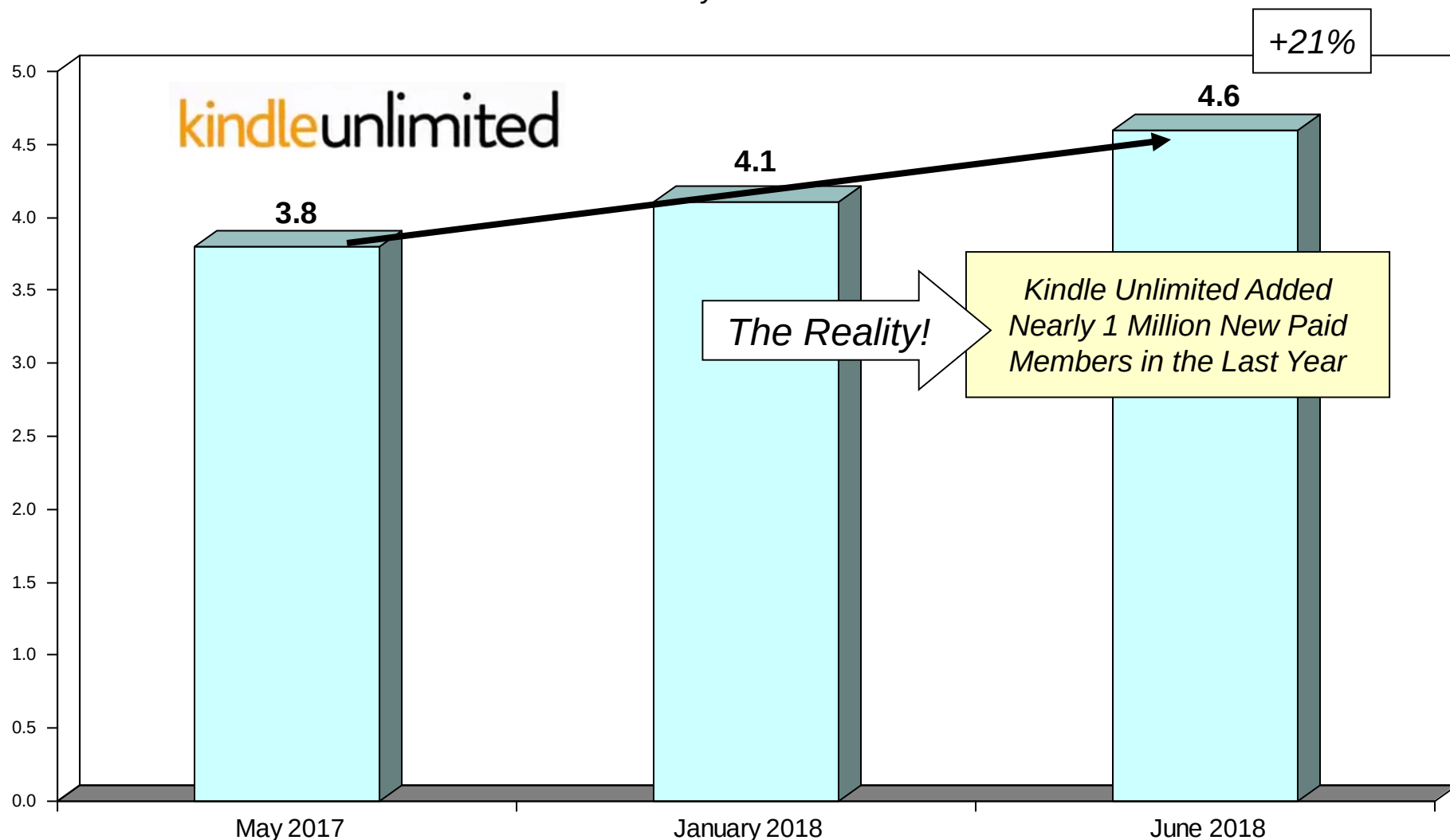
## Overall U.S. Publisher vs. Amazon Media North America Net Revenue Trends (\$B) 2013 v. (2016) 2017



*In spite of significant 'free' Prime content, Amazon Media, which includes video, music and books, grew strongly.*

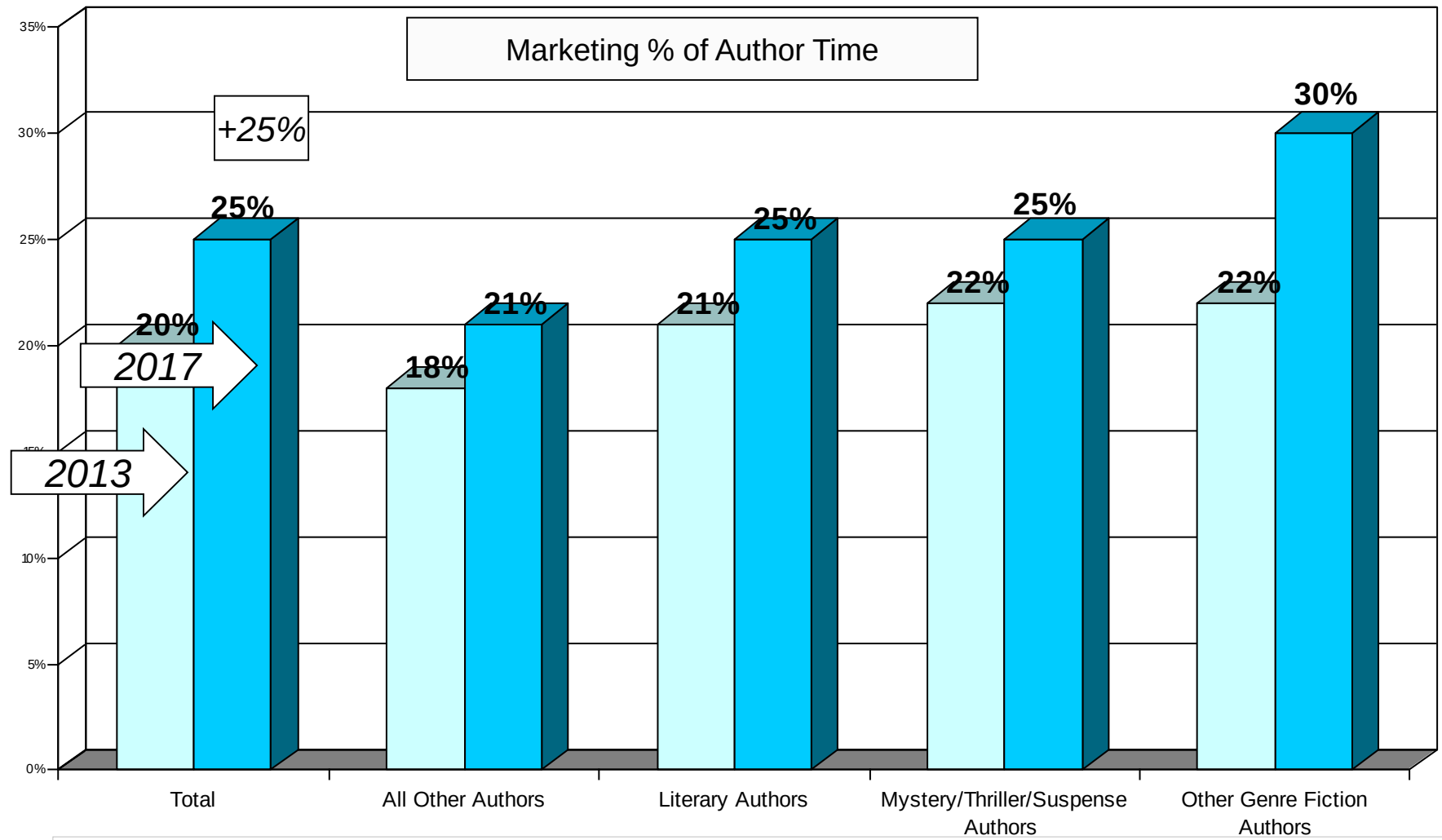
Source: The Association of American Publishers (AAP) 2018 StatShot Annual Report 7/20/18; Amazon Annual Reports 2013 and 2016; 2017 no longer breaks out Media unit.

## Kindle Unlimited Estimated Current Paid Book Buyer Subscriber Base in Millions: 5/17 vs. 6/18



*Amazon's Kindle Unlimited is changing the landscape for both book buyers and authors.*

# Marketing Time Spent as % Total Author Related Time: 2013 v. 2017



*Published authors now spend 25% of their author related work time on marketing.*

Base: 3,500

## Comments from Authors Guild Income Survey Participants

My first book did well and yet I was still offered less money when I received a second contract. I also didn't receive a lot of marketing which has made it difficult to get my name and my books out in the public. I love writing books but the return on effort is limited. I work in TV so my author income is secondary and I find myself having to decide if it is even possible to continue doing both considering the lack of growth I see in that part of my income stream.

Right now, being an author feels like an expensive hobby. I'm spending far more money producing and marketing quality books than I make. I'm not sure how much longer I can spend this much money and get nothing in return. Thousands of new romances are published weekly, and frankly, quality doesn't seem to matter, and I'm finding it almost impossible to build a fan base. When I was traditionally published, the price point was such that it discouraged sales. Being able to control pricing is a big deal, but it doesn't really change the fact that breaking through and getting attention has been impossible for me so far.

The flood of authors who throw out cheap books for the sole purpose of getting rich, and nothing else. The book stuffing, and scammer that make it hard for legitimate authors to be seen on lists.

Romance readers don't want to spend money on their books because the initial indie published authors gave their books away. Now there is a glut of books, people rushing to publish and there are more books than readers. I never made a real income.

If my husband wasn't keeping me and my family financially, I would not be able to write. So even though I am published by a Big Five publisher and have a New York agent, I have earned so little, my writing is realistically just a hobby. I'm quite disappointed not to have had foreign deals at least, and how little interest my publisher's marketing and sales departments have shown in me and my books.