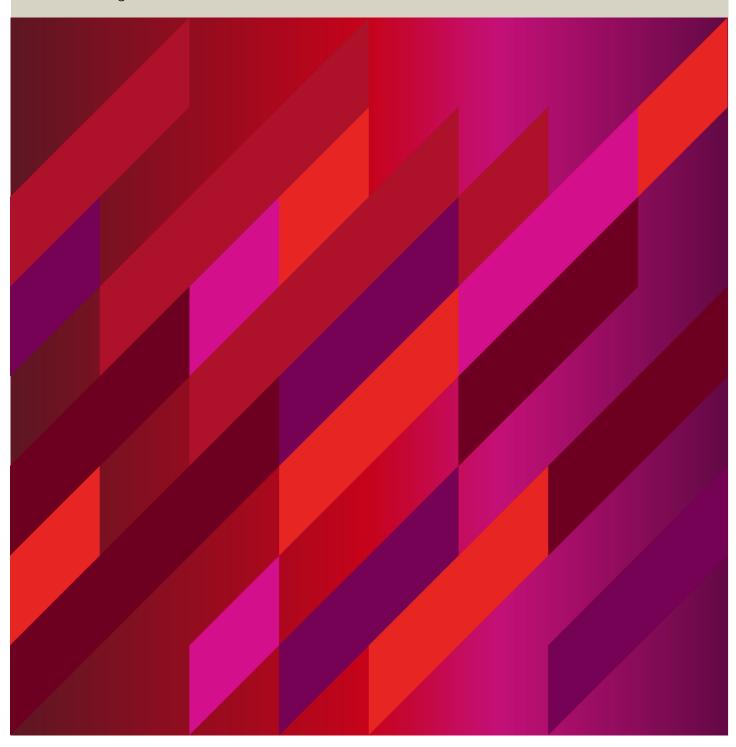




Australian authors

INDUSTRY BRIEF NO. 4: CHANGES IN AUTHORS' FINANCIAL POSITION

The Australian book industry: Authors, publishers and readers in a time of change October 2015



The Australian Book Industry: Authors, publishers and readers in a time of change' is a three-year research project led by Prof. David Throsby, funded by the Australian Research Council under Discovery Project grant DP 140101479 and Macquarie University. In February 2015 the researchers conducted an online survey of over 1,000 Australian book authors.

INTRODUCTION

The previous brief in this series (No. 3: Authors' Income) establishes that the average income of authors is relatively modest, with fewer than one in twenty authors earning the average Australian annual income or more from their creative practice in the 2013-2014 FY. Therefore, most authors supplement this income with other paid work. There has been considerable discussion and speculation among the profession about whether recent changes in the book industry have had a favourable or unfavourable impact on authors' income.

We asked authors about the financial impact of changes in the industry over the past five years on their financial situation. Table 1 demonstrates that nearly 40% of book authors have not experienced a change, while 15% are better off and 15% are worse off. Nearly 10% are experiencing greater variability in their financial position. The 17% who respond 'don't know/can't say' may be more recent participants in the industry as authors or simply may not be able to make a judgment.

Table 1 - Change in financial position due to changes in the industry (percent of authors within each genre)

	Literary Fiction	Genre Fiction	Children's	Creative Non- fiction	Other Non- fiction	Poetry	Sub- total (trade)	Education	Scholarly	Total (All authors)
Improvement	9.0	26.6	7.1	12.2	15.8	8.3	16.6	12.9	9.3	15.3
No discernible change	36.0	26.6	32.3	46.9	40.0	54.8	36.0	43.5	54.6	39.0
Deterioration	30.3	14.2	19.2	10.2	17.9	9.5	16.2	15.0	10.3	15.4
Greater variability	5.6	11.7	14.1	8.2	3.2	9.5	9.5	10.2	5.2	9.2
Don't know/Can't say	15.7	16.3	25.3	16.3	17.9	13.1	17.3	16.3	16.5	17.1
Other	3.4	4.6	2.0	6.1	5.3	4.8	4.4	2.0	4.1	4.0
Total	100	100	100	100	100	100	100	100	100	100
n	89	282	99	98	95	84	747	147	97	991

The findings show that the financial impact of changes in the industry is not being experienced uniformly by Australian authors. Genre fiction authors are the most likely to report an improvement in their financial position, with over one quarter of respondents assessing that they are better off. (Further investigation reveals that the greatest proportion of genre fiction authors who are benefitting from changes are established in their careers.) Nearly one third of literary fiction authors are experiencing a deterioration in their income, followed by nearly one fifth of children's authors and other non-fiction authors (the latter includes authors of illustrated books for adults, which are discussed further on). Poets and scholarly authors are the most likely not to experience a change in their financial position, perhaps because income from their creative practice is a relatively small proportion of their total income.

To investigate further, we also asked authors about the impact of specific changes on their income, including publishing in multiple formats, self-publishing, and the release of backlist publications as ebooks.

PUBLISHING IN MULTIPLE FORMATS

Table 2 demonstrates that genre fiction authors are most likely to report a large (3.5%) or modest increase (23%) in income due to publishing in multiple formats, followed by creative non-fiction authors. Other authors to report modest increases in their income for this reason include education and literary fiction, followed by children's authors. Roughly one-fifth of authors indicate that their income has stayed the same in relation to publishing in multiple formats and over half of the authors indicated that the question was not relevant, suggesting that many authors have been published in a variety of formats throughout their careers or they do not have sufficient longevity in their careers to report a change in income due to this factor.



Table 2. – During your career as an author has your income changed due to publishing in multiple formats? (Percent of authors within genres)

	Literary Fiction	Genre Fiction	Children's	Creative Non- fiction	Other Non- fiction	Poetry	Sub- total (trade)	Education	Scholarly	Total (All authors)
Large increase	0.0	3.5	1.0	3.3	2.3	0.0	2.2	0.7	0.0	1.7
Modest increase	15.3	23.2	14.6	12.0	11.6	5.1	16.1	19.0	7.3	15.6
Stayed the same	22.4	24.7	25.0	18.5	24.4	19.2	23.0	14.6	24.0	21.9
Modest decrease	4.7	2.3	1.0	3.3	2.3	2.6	2.6	2.9	1.0	2.5
Large decrease	2.4	1.2	0.0	1.1	1.2	0.0	1.0	3.6	1.0	1.+4
Not relevant	55.3	45.2	58.3	62.0	58.1	73.1	55.2	59.1	66.7	56.9
Total	100	100	100	100	100	100	100	100	100	100
n	85	259	96	92	86	78	696	137	96	929

SELF-PUBLISHING

In Table 3, we see that only 3.2% of authors are experiencing a large increase in their income due to self-publishing, with creative non-fiction authors the most likely (6.6%), followed by genre fiction and other non-fiction authors (5.7% each). Overall, genre fiction authors are the most likely to report a combined modest or large increase in their income due to self-publishing. Less than half of genre authors respond that this question is 'not relevant', indicating that they have not been involved with self-publishing, compared to a much higher proportion of other types of authors who indicate that the question is not relevant.

Table 3. – During your career as an author has your income changed due to self-publishing? (Percent of authors within genres)

	Literary Fiction	Genre Fiction	Children's	Creative Non- fiction	Other Non- fiction	Poetry	Sub- total (trade)	Education	Scholarly	Total (All authors)
Large increase	0.0	5.7	2.1	6.6	5.7	0.0	4.0	1.5	0.0	3.2
Modest increase	3.8	17.9	11.6	14.3	10.3	7.5	12.8	9.5	1.1	11.1
Stayed the same	10.0	21.0	9.5	13.2	18.4	21.3	16.8	13.9	14.9	16.2
Modest decrease	2.5	1.5	1.1	4.4	3.4	0.0	2.0	2.2	1.1	1.9
Large decrease	1.3	1.5	0.0	0.0	0.0	0.0	0.7	1.5	1.1	0.9
Not relevant	82.5	52.3	75.8	61.5	62.1	71.3	63.6	71.5	81.9	66.6
Total	100	100	100	100	100	100	100	100	100	100
n	80	262	95	91	87	80	695	137	94	926



RELEASE OF BACKLIST PUBLICATIONS AS EBOOKS

Table 4 shows that genre fiction authors are the most likely to report a large increase in their income due to the release of backlisted publications as ebooks, but the proportion is still low (3%). Overall, 10% of all authors are experiencing a modest increase in income from epublication of backlisted titles, particularly genre authors, literary fiction authors and other non-fiction authors.

Table 4. – During your career as an author has your income changed due to the release of backlist publications as ebooks? (Percent of authors within genres)

	Literary Fiction	Genre Fiction	Children's	Creative Non- fiction	Other Non- fiction	Poetry	Sub- total (trade)	Education	Scholarly	Total (All authors)
Large increase	0.0	3.0	1.1	0.0	1.2	0.0	1.5	0.0	1.1	1.2
Modest increase	13.8	16.3	7.4	8.2	10.7	1.3	11.4	3.7	8.6	10.0
Stayed the same	13.8	18.3	19.1	11.8	13.1	10.5	15.5	11.2	10.8	14.4
Modest decrease	0.0	1.9	2.1	1.2	1.2	0.0	1.3	0.7	0.0	1.1
Large decrease	1.3	0.8	0.0	0.0	1.2	0.0	0.6	2.2	0.0	0.8
Not relevant	71.3	59.7	70.2	78.8	72.6	88.2	69.6	82.1	79.6	72.5
Total	100	100	100	100	100	100	100	100	100	100
n	80	263	94	85	84	76	682	134	93	909

CONCLUDING COMMENTS

It is apparent that any benefits attributable to changes in the industry are not being felt consistently across different types of Australian authors. Although 9% of literary fiction authors report an improvement in their financial position due to changes, literary authors are the largest group whose financial position has deteriorated (30%). Genre fiction, creative non-fiction and other non-fiction authors are most likely to be benefitting financially from changes in the book industry, while literary fiction, children's and other non-fiction authors (again) are in the groups of authors who are the most negatively affected.

One factor that contributes to these outcomes is suggested by a senior Australian publisher. It relates to the closure of REDgroup Retail in 2011, which owned Borders and the Angus and Robertson chain of bookstores and was responsible for 20% of trade sales in the Australian (onshore) market. The book industry's view is that apart from the stores that were taken over, the closure of the remaining bookstores contributed to a contraction of book sales because many consumers didn't buy books elsewhere, instead they spent their discretionary income on other goods. Literary fiction, children's and illustrated book authors are likely to be among those most affected because bricks and mortar bookstores are particularly important for the sales of these types of books. In contrast, during the past five years discount department stores (DDS) have increased their retail market share of books in Australia. Authors of genres which are sold through these channels may have benefited, such as genre fiction authors. Further, ebooks are a popular format for genre fiction, which would have been financially beneficial for some genre fiction authors.

This potentially poses some interesting policy challenges. Are there opportunities to learn from factors which are enabling some authors to benefit from changes in the industry (and to celebrate the success of these authors)? If, as it appears, some types of authors are not benefitting, are there ways to improve their situation? If that is not possible then other measures may need to be considered if Australia's book culture is to flourish based on the contributions of a diverse range of Australian authors and their writing. It's also worth reiterating that the financial changes being experienced by most authors are from a fairly modest 'baseline' of income derived from creative practice for many authors.



This industry brief is part of a series prepared for Australian book authors and other members of the Australian book industry to highlight key findings of the 2015 survey.

Thank you to all the authors who gave generously of their time and expertise by participating.

The complete series of industry briefs about this survey is:

- 1. Key Findings
- 2. Demographics of Australian Book Authors
- 3. Authors' Income
- 4. Changes in the Financial Position of Australian Book Authors
- 5. Authors' Changing Professional Practices
- 6. Authors' Allocation of Time
- 7. Rights Sales, Translations and Piracy
- 8. Promotion
- 9. Authors and Publishers

See also the Department of Economics Working Paper, 'Book Authors and their Changing Circumstances: Survey Method and Results'.

These can be downloaded at:

http://goto.mq.edu.au/book-industry

