AUTHORS' EARNINGS FROM COPYRIGHT AND NON-COPYRIGHT SOURCES: A SURVEY OF 25,000 BRITISH AND GERMAN WRITERS

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Final report ALCS study [pre-print]

protecting and promoting authors' rights

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Contents

1. Preface

In 1776, Adam Smith diagnosed an oversupply in that "that unprosperous race of men" called *men of letters*: "…their numbers are every-where so great as commonly to reduce the price of their labour to a very paultry recompence." (*The Wealth of Nations*, Book I, Ch. 10)

By the nineteenth century, it was thought that copyright law may provide a solution. As Thomas Babington (Lord) Macaulay argued in a famous speech on copyright reform in the House of Commons (5 February 1841): "…there are only two ways in which [men of letters] can be remunerated. One of those is patronage; the other is copyright."

In a continuous line of reasoning, the thought persisted into the recitals of current European legislation. The 2001 Information Society Directive (2001/29/EC) is introduced thus: *"If authors or performers are to continue their creative and artistic work, they have to receive appropriate reward for the use of their work…" (Recital 10). "A rigorous, effective system for the protection of copyright and related rights is one of the main ways of ensuring that European cultural creativity and production receive the necessary resources and of safeguarding the independence and dignity of artistic creators and performers"(Recital 11).*

This study shows quite conclusively that current copyright law has empirically failed to meet these aims. The rewards to best-selling writers are indeed high but as a profession, writing has remained resolutely unprosperous.

For less then half of the 25,000 surveyed authors in Germany and the UK, writing is the main source of income. Typical earnings of professional authors are less than half of the national median wage in Germany, and one third below the national median wage in the UK. 60% of professional writers hold a second job of some kind.

Throughout the study, we have attempted to differentiate between copyright and non-copyright earnings (following concepts developed for a pilot study on music for the Arts Council: M. Kretschmer, 2005, "Artists' Earnings and Copyright: A Review of British and German Music Industry Data in the Context of Digital Technologies", www.firstmonday.org). We also have analysed for the first time systematically the distribution of income in a creative profession, calculating the Gini Coefficient for all earnings data collected (Gini = 0: every writer earns the same/perfect equality; Gini = 1: one earner earns everything/perfect inequality).

After this study, copyright policy cannot remain the same. Still, for the purposes of this report, we have resisted drawing policy implications. Instead we have attempted to shape the raw data into a form that will allow multiple analyses. Emphasis has been given to providing context from statistical data held by governments, and from a comprehensive review of previous studies.

The study was funded by the UK Authors' Licensing & Collecting Society (ALCS) whom we thank greatly for their trust and cooperation, in particular Owen Atkinson, Jane Carr, Richard Combes, Penny Grubb and Barbara Hayes. They gave us unprecedented access and support when nobody could predict what an independent survey of 25,000 writers would return. We also have to thank the German writers' collecting society VG Wort (in particular Prof. Ferdinand Melichar) for valuable discussion of their databases, and two German professional bodies Verband deutscher Schriftsteller VS (in particular Imre Török)) and Verband deutscher Drehbuchautoren VDD (in particular Katharina Uppenbrink) for mailing the questionnaires.

Finally, a study on this scale is necessarily a team effort. Dr Friedemann Kawohl (CIPPM Research Fellow) translated the questionnaire, processed the German part of the survey, and provided critical commentary throughout. Dr Michel Guirguis (Business School Research Fellow) calculated the Gini Coefficients, and computed the questionnaires assisted by Natalie Swann (LLM) for Germany. Emily Cieciura (CIPPM Co-ordinator) formatted the final report. Mistakes remain our own.

Bournemouth, 1 July 2007

Professor Martin Kretschmer (Chair in Information Jurisprudence)

Professor Philip Hardwick (Chair in Economics)

2. Executive summary

1. In 2004-05, professional UK authors (defined for the purposes of this study as those who allocate more than 50% of their time to writing) earned a median ('typical') wage of £12,330 (= 64% of the national gross median wage). In 2005, professional German authors earned a median wage of €12,000/£8,280 (= 42% of the national net median wage).

2. Although authors' earnings are well below average, the crucial distinguishing feature is the risky nature of the profession. Writers work in winner-take-all markets. The distribution of income is highly unequal, as reflected in high Gini Coefficients: The top 10% of professional writers in the UK earn about 60% of total income (they earn at least £68,200 per annum); the bottom 50% earn about 8% of total income (Gini: 0.63). In Germany, the top 10% of professional writers earn about 41% of total income (they earn at least €40,000/£27,600 per annum); the bottom 50% earn about 12% of total income (Gini: 0.52). In contrast, the national Gini Coefficient for all employees in the UK is 0.33; in Germany it is 0.31.

3. Compared to the UK, writers' earnings are lower and less skewed in Germany. This may reflect a more regulated environment for copyright contracts in Germany. It may also reflect the globalised nature of English language markets. In the UK sample, 7.2% of professional writers earned £100,000 or more from writing (mean = £188,062). In the German sample, just 1.7% of professional writers earned £100,000 (€145,000) or more. No German writers earned more than £345,000 (€500,000).

4. Only 20% of UK writers earn all their income from writing. 60% of professional writers need another job to survive, both in Germany and the UK. However, UK and German writers show a distinct sociological profile. German authors are prepared to enter the market as a professional author (= allocating more than 50% of their time to writing) at a much lower median income than UK authors. UK authors also appear to have a more "establishment" background. UK writers' households (including partners' earnings and income from non-writing jobs) earn almost double the amount of their German counterparts (UK writers' household mean: £55,620; German writers' household mean: €41,644/£28,734).

5. Income that reflects actual use of copyright works is most skewed. For UK professional authors, the Gini Coefficient for writing income is 0.63, for total individual income of writers it is 0.51, and for total household income of writers it is 0.47. For German professional authors, the Gini Coefficient for writing income is 0.52, for total individual income it is 0.43, and for total household income it is 0.42. The distribution of income for collecting society payments (which follows actual use) is more skewed than contractual writing income (which includes risk mitigating advances). The Gini Coefficient for ALCS (UK collecting society) payments to professional writers is 0.78; for VG Wort (German collecting society) payments it is 0.67. This suggests that current copyright law may exacerbate risk.

6. Writers who bargain with their publishers/producers earn about twice as much as those who don't (both in Germany and the UK). Compared to the UK, disputes over moral rights (the authors' rights to be credited where their work is used and to prevent its derogatory treatment) are double as likely in Germany, reflecting perhaps the "inalienable" legal status of these rights in Germany.

7. Female writers earn considerably less than male writers. The greatest gap is for main-income writers (those who earn at least 50% of their income from writing): UK female main-income writers earn 59% of male average (mean) earnings; German female main-income writers earn 69.5 of male average (mean) earnings.

8. Increased exploitation and use of copyright works through the Internet has not translated into increased earnings of writers. Only 14.7% of professional UK writers and 9.2% of German writers have received specific payments for Internet uses of their works. The typical earnings of authors have deteriorated since 2000, both in the UK and Germany.

3. Summary Report

3.1 Introduction

In 2005, the UK Collecting Society ALCS[1] commissioned a comparative study on authors' earnings from a team of lawyers and social scientists at the Centre for Intellectual Property Policy & Management (CIPPM), Bournemouth University, UK. The aim was to create an independently validated evidence base for policy makers, in particular in relation to copyright issues in the digital environment. The core of the project was a large scale questionnaire survey covering professional profiles, sources of earnings, contracts and Internet issues in the UK and Germany – two countries with significant differences in their respective copyright frameworks, and publishing sectors of comparable size (see Chapter 4 for indicators). ALCS contractually agreed to uphold the independence of this survey.

The study is the largest of its kind, and one of the first that systematically sets authors' income into a context of earnings data available for other professions, and in other countries. It is also the first that was able to control the results against collecting society payments, as well as tax, insurance and labour force data held by government statistical offices.

[1] The Authors' Licensing & Collecting Society (ALCS – www.alcs.co.uk) is the UK collective rights management society for writers. It collects and distributes licence fees for any works that are copied, distributed or recorded (so-called "secondary royalties"). For details, see Chapter 4.3.

3.2 Who is an author?

In a copyright sense, anybody who writes with a minimum of originality[2] is an author. However, for the purposes of economic and cultural policy, this is not a useful definition as most copyright works have little value and will never be published. The problem of defining "authors" for the purposes of this study was solved by introducing several "population layers" into the analysis. The most important being:

1. *Membership of a professional body/collecting society*: this sampling frame excludes authors who have not been commercially published
2. *Professional authors*, defined as those who allocate more than 50% of their perceived *time* to being an author
3. *Main-income authors*, defined as those who earn at least 50% of their total individual *income* from writing
4. *Audio-visual authors*, defined as those who mainly work in TV, Film, Radio and Internet media
5. *Academics and teachers* (Non-copyright sources of earnings are prominent for teachers and academics; therefore less analytical effort was spent on these occupational groups)

In Spring 2006, 25,000 questionnaires were sent to the ordinary membership of ALCS and to the members of two professional bodies in Germany (*Verband deutscher Schriftsteller* VS[3]; *Verband der Drehbuchautoren* VDD[4]), requesting data for the last financial year (UK 2004-05; Germany 2005). Response rates were 6.8% (UK) and 4.5%

[2] In the UK, the originality threshold requires the exercise of "labour, skill, or judgment", while in European Civil Law jurisdictions an original work must be an "intellectual creation" (reflecting the author's personality). Thus some creations may enjoy copyright protection in the UK but not in Germany (for example routine or automated reproductions, such as photographs of works of art). These variations do not matter for the literary creations which give rise to authors' earnings in this study.

[3] *Verband deutscher Schriftsteller* (http://vs.verdi.de) traces itself back to predecessors established in 1909 and 1952. It has about 5,000 members (predominantly literary authors and translators), and is part of the Trade Union Congress.

[4] *Verband der Drehbuchautoren* (www.drehbuchautoren.de) was founded in 1986, and represents about 450 screenwriters.

(Germany), a robust basis for statistical analysis. The UK responses revealed a considerable proportion of writers who defined themselves primarily as academics, teachers, or other professionals (e.g. curator, consultant), while these profiles were less present within the German sample which is dominated by professional authors.[5] This is due to the different sample characteristics of ALCS, VS and VDD, not to differences in the general population of authors. Cross-country comparisons therefore should be qualified with reference to sub-samples (e.g. professional authors; main-income authors; audio-visual authors).

The following two graphs illustrate the population characteristics of the UK and German samples. Unless specifically indicated otherwise, all figures refer to gross earnings (before tax).

[5] It would have been desirable to distribute the questionnaire to the German equivalent of ALCS, that is the membership of collecting society VG Wort. However, VG Wort represents both authors and publishers (see Chapter 4.2 and 4.4) and found itself in a situation of conflicting interests. Still, VG Wort contributed valuable background data to the study enabling us to control for representative characteristics of the smaller professional body sample (VS, VDD).

Figure 3.1

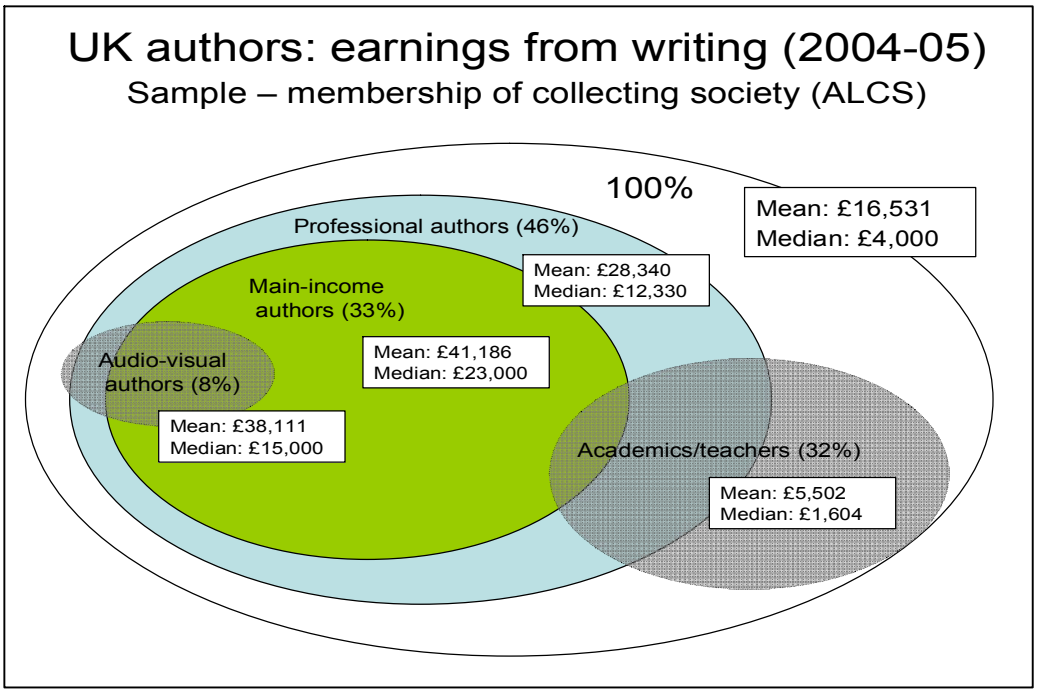
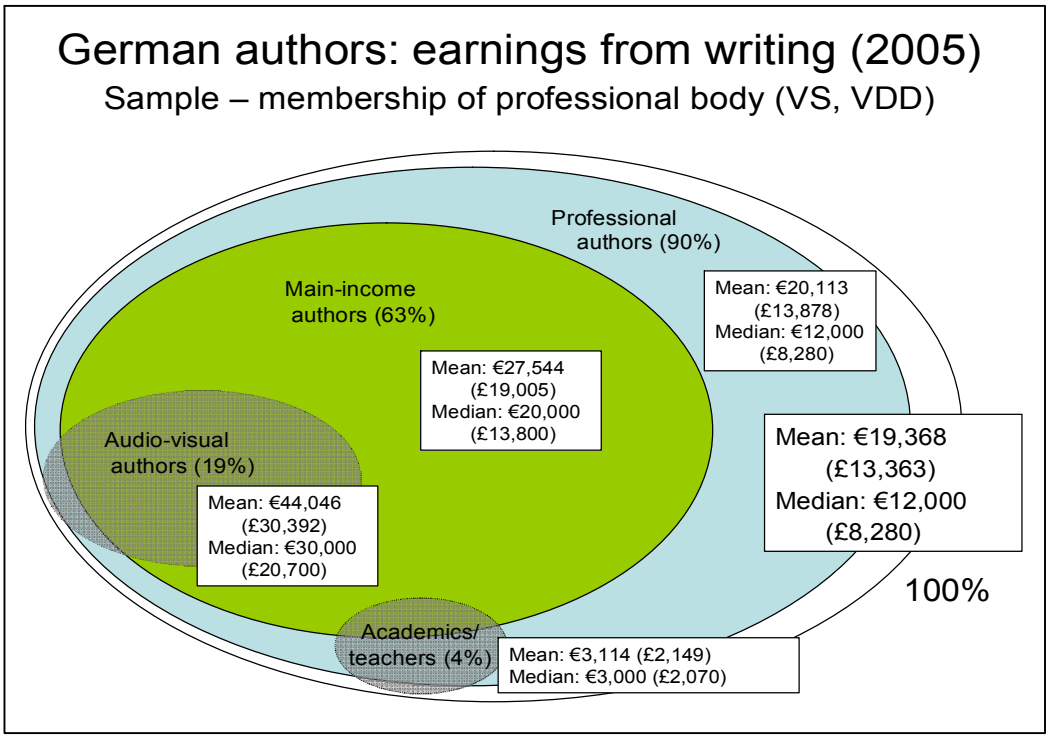


Figure 3.2



Euro/Pound exchange rates were calculated at the average rates for 2005: €1 = £0.69

3.3 Benchmark tables

An important objective of the study was the development of an analytical framework under which groups of writers could be compared to each other, to other professional groups, and across countries.

The key earnings measures used in this study are:

- Household earnings
- Individual earnings
- Earnings from self-employed writing
- Earnings by media/genre
- Earnings by profession

For each data set, we calculated the **mean** (average earnings), **median** (mid-point or typical earnings), **standard deviation** and **coefficient of variation**. (Statistical terms are defined in the Appendix).

In addition, we introduced a measure for the distribution of income (or inequality within the profession) since the cultural industries appear to produce peculiar earning patterns.[6] The distribution of income in a given population can be represented graphically by the **Lorenz curve**.[7] To construct a Lorenz curve, the cumulative percentage income or wealth in the vertical axis y is plotted against cumulative percentage population in the horizontal axis x. Thus a Lorenz curve represents a series of statements such as: *The bottom 40% earn 20% of total income*. As a general rule, the more "sloped" the curve is, the more unequal is the distribution of wealth. The straight diagonal line is also called the "perfect equality line", representing the scenario where every member in the population earns the same amount.

[6] This has been discussed in sociological literature on fashion, and the economic literature on artists' labour markets and the superstar phenomenon. See Chapter 5 for a review of the literature.
[7] Lorenz, M.O. (1905), "Methods of Measuring the Concentration of Wealth", *Publications of the American Statistical Association* 9: pp. 209-219

The degree of concentration (or inequality) can be represented in one number, the **Gini Coefficient**, calculating the deviation from the straight line. The Gini Coefficient ranges between 0, where there is no concentration (perfect equality: every member receives the same income), and 1 where there is total concentration (perfect inequality: one member receives all the income).

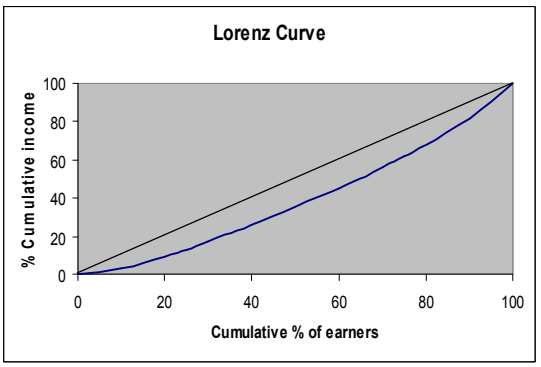
Next, we review key data from national statistics and previous studies in Germany and the UK. They will provide a context for the interpretation of this survey.

UK: Annual earnings (gross) all employees (2005)

The UK Office for National Statistics conducts an Annual Survey of Hours and Earnings (ASHE) based on a 1% sample of the PAYE tax register. ASHE classifies all employees according to standard occupational groups, and is weighted to be representative of the whole population. (All Gini Coefficients were calculated for this study).

Figure 3.3

UK: Annual earnings (gross) all employees (2005)



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

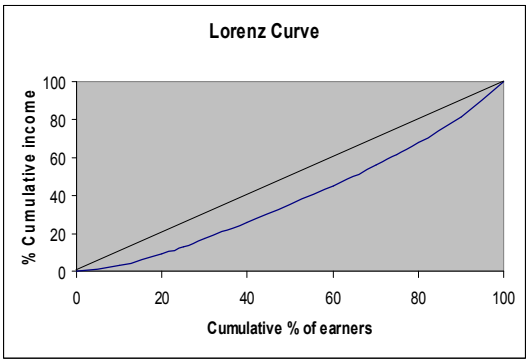
Mean ('average') earnings	**£23,400**
Median ('typical') earnings	**£19,190**
Gini Coefficient ('measure of inequality')	**0.33**

UK: Annual earnings skilled metal & electrical trades (2005)

For benchmarking, we picked an employee class that shows a very equal earnings profile (small gap between mean and median, low Gini coefficient). Other comparisons may be drawn to the 2005 Gini coefficient for UK Corporate Managers: 0.39 (mean: £45,445; mean: £34,286); and for UK Health Professionals: 0.38 (mean: £57,265; median: £48,337).

Figure 3.4

UK: Annual earnings (gross) skilled metal & electrical trades (2005)



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

Mean ('average') earnings	**£23,985**
Median ('typical') earnings	**£23,251**
Gini Coefficient ('measure of inequality')	**0.22**

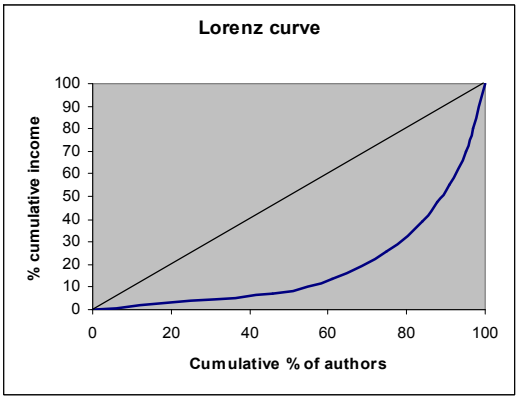
UK: Annual earnings from self-employed writing (1998-9)

The Society of Authors[8] is the largest UK professional body, with currently about 8,000 members organised in subsidiary groups such as academic writers, broadcasters, children's writers and illustrators, educational writers, medical writers and translators. The membership has been surveyed in a well-known study published in 2000 ("Love, Not Money", *The Author* No. 58).

[8] See www.societyofauthors.net. Audio-visual writers are typically represented by the other main professional body Writers' Guild of Great Britain (www.writersguild.org.uk), negotiating on behalf of writers for TV, film, radio, theatre, books, poetry and video games. The Guild has about 2000 members. The Society of Authors and the Writers' Guild each have four representatives on the board of ALCS.

Figure 3.5

UK: Annual earnings from self-employed writing (1998-9)



Source: Society of Authors survey, published 2000 (professional body sample, 1711 respondents)

Mean ('average') earnings	**£16,600**
Median ('typical') earnings	**£6,333**
Gini Coefficient ('measure of inequality')	**0.6**

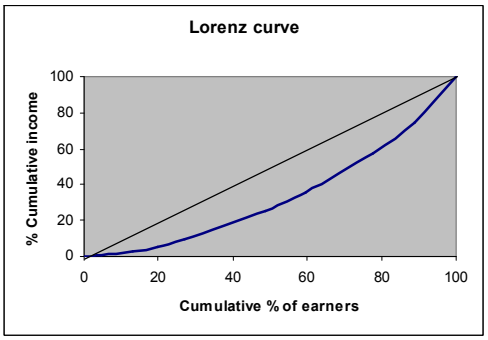
Germany: Annual earnings (net) all employed (2004)

For Germany, the most recent national earnings survey available was the 2004 Mikrozensus, based on a 1% sample of the population (covering, unlike the UK ASHE survey, employed and self-employed income: thus we use the term employed, not employee). Earnings data are given *after* tax. In 2004, German workers earned on average (*net*) about €31,157 (£21,187) (median: €28,730/£19,536).[9] The Gini Coefficient is slightly lower than in the UK.

[9] Allowing for tax, German workers earn more then UK workers. The different methodologies used for Mikrozensus and ASHE may be put into context of GDP data. On the OECD productivity database (September 2006), GDP per capita (2005) for Germany has been calculated as $29,758, and for the UK as $32,151.

Figure 3.6

Germany: Annual earnings (net) all employed (2004)



Source: Mikrozensus 2004 Statistisches Bundesamt (federal office for statistics)

Mean ('average') earnings **€31,157 (£21,187)**
Median ('typical') earnings **€28,730 (£19,536)**
Gini Coefficient ('measure of inequality') **0.31**

(2004 exchange rate: €1 = £0.68)

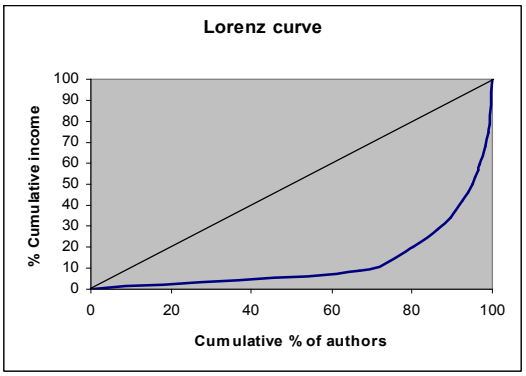
Germany: Annual earnings from self-employed writing (2001)

In order to achieve more specific benchmarks, the German federal office for statistics was commissioned by this study to calculate the declared taxable income from self-employed writing for 2001 (the most recent year for which these data were available).[10] In 2001, 24,436 German taxpayers had such income. The following two figures represent the distribution of earnings for all tax-paying self-employed writers, and for a sub-sample (10,220): all tax-paying self-employed writers who earn more than 50% of their income from writing.

[10] The equivalent data is unavailable in the UK.

Figure 3.7

Germany: Annual earnings from self-employed writing (2001)



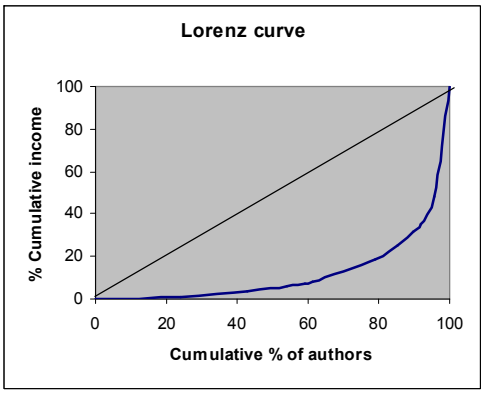
Source: Commissioned analysis of 24,436 tax payers (2001) Statistisches Bundesamt (federal office for statistics)

Mean ('average') earnings	**€17,306 (£10,557)**
Median ('typical') earnings	**€ 7,163 (£4,369)**
Gini Coefficient ('measure of inequality')	**0.83**

(2001 exchange rate: €1 = £0.61)

Figure 3.8

Germany: Annual earnings from self-employed writing (2001)
of those tax payers who earn more than 50% of their income from writing



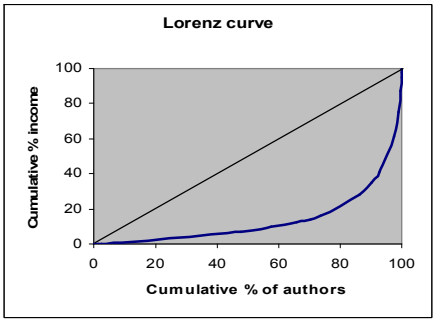
Source: Commissioned analysis of 10,220 "main-income" self-employed tax payers (2001) – (sub-sample of previous figure) Statistisches Bundesamt (federal office for statistics)

UK: ALCS payments (2005)

Collecting societies have constructed the most comprehensive databases of copyright works and authors in their respective jurisdictions. Since licence fees for copying and transmission (e.g. by schools, universities or broadcasters) must reflect actual use, the annual payments of collecting societies offer valuable insights into the functioning of cultural markets. See Chapters 4.3 and 4.4 for a summary of the rights administered by collecting societies in the UK and Germany.

Figure 3.9

UK: ALCS payments (2005)



Source:
ALCS payments 2005
(for 2004)
41,701 payees

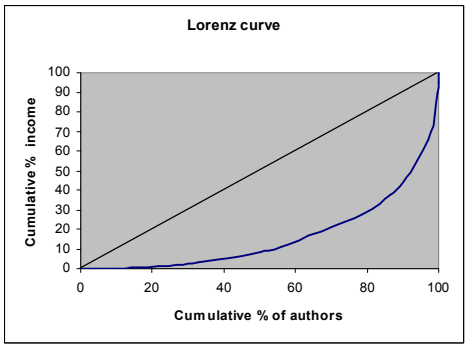
Mean ('average') earnings	**£369**
Median ('typical') earnings	**£ 80**
Gini Coefficient ('measure of inequality')	**0.72**

Germany: VG Wort payments (2005)

VG Wort is the German sister society of ALCS. VG Wort was established in 1958 while ALCS was formed only in 1977. VG Wort's larger membership is due to this longer history and its wider mandate, covering also journalists (who do not feature as journalists among ALCS members – in the UK, newspaper cuttings are administered by the publisher controlled Newspaper Licensing Agency NLA).

Figure 3.10

Germany: VG Wort payments (2005)



Source:
VG payments 2005
(for 2004)
94,104 payees

Mean ('average') earnings	**€490/£338**
Median ('typical') earnings	**€197/£136**
Gini Coefficient ('measure of inequality')	**0.67**

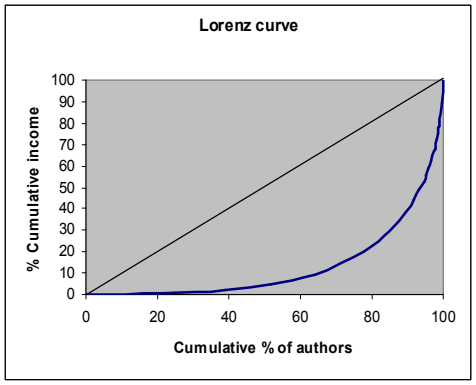
In 2005 (the year surveyed), the UK collecting society ALCS distributed a total £15,374,808 to 41,701 entitled authors at an average of £369/payee while the German society VG Wort distributed at total of €46,100,528 (£32,809,364) to 94,101 entitled authors at an average of €490 (£338) per payee. In other words, VG Wort spreads a bigger pot more thinly.

ALCS Survey: Annual earnings from self-employed writing UK-Germany

The following four tables represent the distribution of earnings from self-employed writing for the full UK and German samples of the current study, and for the sub-sample of professional authors (those who allocate at least 50% of their time to writing).

Figure 3.11

UK: Annual earnings from self-employed writing (2004-5)

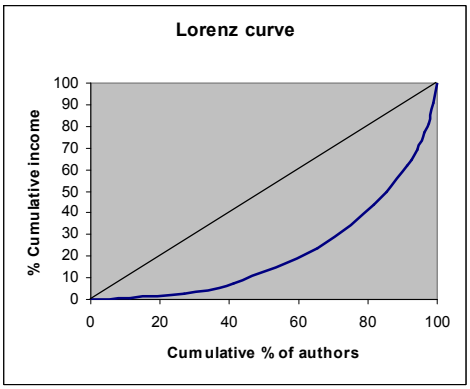


Source:
ALCS Survey
UK writing income
(full sample)

Mean ('average') earnings	**£16,531**
Median ('typical') earnings	**£ 4,000**
Gini Coefficient ('measure of inequality')	**0.74**

Figure 3.12

Germany: Annual earnings from self-employed writing (2005)

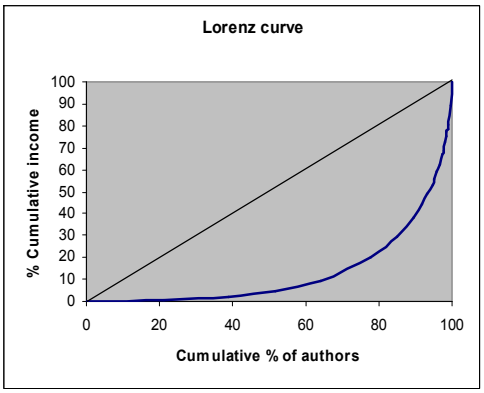


Source:
ALCS Survey
German writing income
(full sample)

Mean ('average') earnings	**€19,368 (£13,363)**
Median ('typical') earnings	**€12,000 (£8,280)**
Gini Coefficient ('measure of inequality')	**0.56**

Figure 3.13

UK: Annual earnings from self-employed writing (2004-5)
"professional authors" (= more than 50% of time allocated to writing)

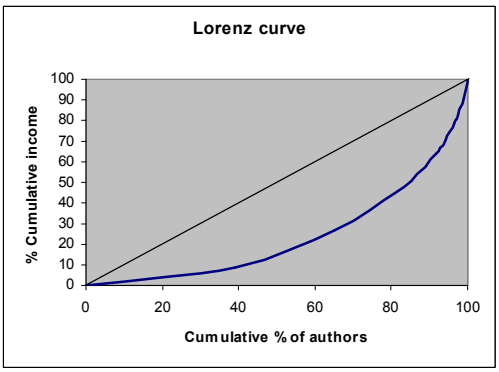


Source:
ALCS Survey
UK writing income
(sub-sample
"professional authors")

Mean ('average') earnings	**£28,340**
Median ('typical') earnings	**£12,330**
Gini Coefficient ('measure of inequality')	**0.63**

Figure 3.14

Germany: Annual earnings from self-employed writing (2005)
"professional authors" (= more than 50% of time allocated to writing)



Source:
ALCS Survey
German writing income
(sub-sample
"professional authors")

Mean ('average') earnings	**€20,113 (£13,878)**
Median ('typical') earnings	**€12,000 (£ 8,280)**
Gini Coefficient ('measure of inequality')	**0.52**

These benchmark tables confirm that for the UK, the ALCS population sampled is similar to the population captured by the Society of Authors' survey (2000). The German professional body population (VS, VDD), set against tax benchmarks, falls between all self-employed writers and those who are main-income writers. This, again, is in line with expectations.

Comparing the actual payments of ALCS (mean: £385; median £81) with the ALCS payments reported by our respondents (mean: £892; median: £200) indicate that the lower income end of the ALCS population is underrepresented in our full sample. A comparison of the actual payments of VG Wort (mean: €490/£338; median: €197/£136) with the VG Wort payments reported by the German respondents (mean: €1,544/£1,065; median €563/£388) reveals a similar bias.

It is also likely that many superstar novelists did not reply to the survey. In the UK sample, 38 professional writers (7.2%) earned £100,000 or more from writing (mean: £188,062), and just 1 writer earned £500,000 or more from writing (£800,000). In the total UK sample, the 90th percentile is £40,000 (i.e. the top 10%, about 115 writers, all earn £40,000 or more).

In the German sample, 5 writers earned €100,000 or more from writing (mean: €136,600). No German writers earned more than €500,000. In the German sample, just 2 writers (1.7%) earned £100,000 (€145,000) or more from writing (mean: €174,000). In the German sample, the 90th percentile is €40,000 (about £27,600) – so the top 10% (19 writers), all earn more than €40,000.

The absence of some top-earners is confirmed by a difference between the earnings by main-income authors in our German survey (mean: €27,544/median: €20,000), and the taxable self-employed earnings from the 2001 tax data commissioned from the Federal Office for Statistics

(mean: €33,976/median: €10,375). This bias is typical of earnings surveys, and also likely to hold in the UK.

Summary benchmark tables:

For policy purposes, the category of writers who consider themselves professional authors (by virtue of spending more than half their time in the profession) is the most relevant. The benchmark tables show that we have captured a representative sample of this population, both in the UK and Germany. We therefore can be confident in the validity of the analysis. The bias inherent within other sampling frames (in particular membership of a collecting society, membership of a professional body, and being a main-income author) can be quantified quite precisely. Where small numbers of responses have produced a statistically unusual pattern, we have indicated this by annotating certain figures with an Asterix (*).[11]

[11] In Germany, the income differences between the full (professional body) sample, and the sub-sample of professional writers (who allocate more than 50% of their time of writing) is very small. In fact, the median is identical for both samples. For cross-country comparisons, we therefore favour using the full German sample against the UK professional writer sample, in order to increase the validity of the analysis of small numbers of responses to some questions. The statistical technique used for estimating the potential unreliability of small samples is comparing the Coefficient of Variation (calculated by expressing the standard deviation as a percentage of the mean) against the number of valid responses.

3.4 Survey findings

This section summarises the key findings of the research. The raw data on which the findings are based can be found in Chapters 7, 8 and 9 below. Chapter 4 provides context on economic, legal and institutional differences between Germany and the UK. Chapter 5 reviews existing empirical work on earnings in the cultural professions. A detailed explanation of our own survey methodology can be found in Chapter 6.

Risk and reward

Writing is shown to be a very risky profession: median (typical) gross earnings of professional writers (£12,330) are about 64% of the median wage of all UK employees (£19,190). In Germany, the median earnings of professional writers (€12,000) are only about 42% of the national net median wage (€28,730/£19,536). Inequality within the profession is great, as indicated by very high Gini Coefficients. The top 10% of professional writers in the UK earn about 60% of total income (they earn £68,200 or more); the bottom 50% earn about 8% of total income (Gini: 0.63). In Germany, the top 10% of professional writers earn about 41% of total income (they earn €40,000/£27,600 or more); the bottom 50% earn about 12% of total income (Gini: 0.52). Cultural markets are winner-take-all markets, although to a lesser degree in Germany than in the UK.

For comparison, the national Gini Coefficient for all UK employees (ASHE) is 0.33; the national Gini Coefficient for all German employed (Mikrozensus) is 0.31. More specifically, the Gini Coefficient for UK employees in the skilled metal and electrical trades – one of the more equal occupations – is 0.22. Here the bottom 50% earn nearly 40% of total income.

Bench-marking the results against the Society of Authors' survey, reported in 2000, appear to indicate that the earnings of the typical UK

writer are deteriorating. The German respondents to the current survey report a similar trend.[12]

Portfolio lives

With typical (median) earnings around subsistence levels[13], most writers supplement their income from other sources, such as a second job, or household earnings contributed by a partner. In our survey, we captured this data by asking separate questions for income from writing, total individual income and total household income. The data show that only 20.3% of UK writers earn all their income from writing. For cross-country comparison, we used the category of professional authors. 60% of professional writers hold down a second job, both in Germany and the UK.

Table 3.1: How many professional authors can live from writing alone?

Percentage of UK professional authors for whom writing income contributes:	*% of authors*	*Mean writing income*	*Median writing income*
More than 50% of total individual income	59.6	£41,186	£23,000
More than 75% of total individual income	48.4	£48,101	£26,500
More than 90% of total individual income	42.8	£50,090	£27,696
100% of total individual income	40.0	£49,542	£27,500

[12] This claim is likely to hold but needs to be treated with some caution. Our UK full sample reported that their own earnings had increased since 1999/2000 from a mean of £14,361 to £16,531 in 2004/05, but the median remained at £4,000 (a decrease in real terms). In Germany, the benchmark of 2001 taxable earnings (mean: €17,306) appears to indicate that earnings may have been improving, while the self-reported earnings of our full sample show a decrease from a mean in 2000 of €20,564 to a mean in 2005 of €19,368. The same methodology would have to be applied repeatedly to ensure consistency. We recommend that such a mechanism for reporting earnings data in the cultural professions should be instituted as soon as possible.

[13] In 2005, the UK minimum wage set by government was £5,05/hour. Annual earnings at this level (40 hour week x 50 week year) would be £10,100.

Percentage of German authors for whom writing income contributes:	*% of authors*	*Mean writing income*	*Median writing income*
More than 50% of total individual income	63.1	€27,544 (£19,005)	€20,000 (£13,800)
More than 75% of total individual income	52.9	€29,225 (£20,165)	€20,000 (£13,800)
More than 90% of total individual income	45.5	€30,287 (£20,898)	€20,000 (£13,800)
100% of total individual income	40.1	€29,475 (£20,337)	€20,000 (£13,800)

It is striking, that the typical (median) earnings do not increase in line with the percentage of income derived from writing. This suggests that many authors are not only motivated by money, as their income is not increasing with their effort (an effect common to the population of writers both in Germany and the UK). However, German authors are prepared to devote more than 50% of their time to writing at a much lower mean and median income than UK authors. In other words, the hurdle to being a professional author appears to be lower in Germany.

This may be due to a combination of factors, some sociological (see next paragraph) some economic. Economic explanations include the high costs of living in the UK (50% of UK respondents live in London and the South-East), the German system of state support (e.g. subsidised national insurance, wider availability of grants), and higher payments as a proportion of income from the collecting society. German professional authors receive an average of €1,622 (£1,119) from VG Wort (median: €600 (£414)), while UK professional authors receive an average of £1,333 (median: £376) from ALCS and Public Lending Rights (PLR) combined.

Households mitigate risk

As the income of authors is uncertain and highly skewed (reflecting the winner-take-all characteristics of cultural markets), non-copyright income sources are important to writers. It appears that risk mitigation is an important effect of these other sources of earnings. For UK

professional authors, the Gini Coefficient for writing income is 0.63, for total individual income it is 0.51, and for total household income it is 0.47. For German professional authors, the Gini Coefficient is 0.52, for total individual income it is 0.43, and for total household income it is 0.42.

The distribution of income for collecting society payments (which follows actual use) is even more skewed than writing income. The Gini Coefficient for ALCS payments to professional writers is 0.78, and for VG Wort payments it is 0.67! This suggests that writers' contracts (which often include advances) may already contribute to risk mitigation.

Table 3.2: Contribution to household earnings by UK professional writers (2004-5)

UK professional writers	*Writing income*	*Individual income*	*Household income*
Valid responses	525	514	501
Mean (£)	28,340	41,017	55,620
Median (£)	12,330	25,337	37,000
Coefficient of Variation (%)	204.9	146.4	115.1
GINI COEFFICIENT	**0.63**	**0.51**	**0.47**

Table 3.3: Contribution to household earnings by German professional writers (2005)

German professional writers	*Writing income*	*Individual income*	*Household income*
Valid responses	169	168	164
Mean (€)	20,113 (£13,878)	27,913 (£19,260)	41,644 (£28,734)
Median (€)	12,000 (£8,280)	21,000 (£14,490)	30,000 (£20,700)
Coefficient of Variation (%)	132.7	96.4	87.7
GINI COEFFICIENT	**0.52**	**0.43**	**0.42**

The typical UK professional writer contributes 33% to the income of his/her household. The typical German professional writer contributes 40% to the income of his/her household. Taking account of these other sources of individual and household income, writers and their families earn well above the national average. UK writers' households earn almost double the amount of their German counterparts. This suggests that UK and German writers may have a different sociological profile (e.g. in schooling, higher education).

The career curve of authors

Over the life-time of an author, earnings increase until the mid-fifties, and then decrease again. The first ten years are the hardest, even more so in the UK. Annual median income for self-defined authors from writing in the UK age group 25-34 is only £5,000 – one third less than for the comparable German category.

Table 3.4: Writing income by age group (professional authors)

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
UK valid responses (2004-5)	11	53	138	176	141
mean (£)	14,564	24,533	35,958	30,888	19,849
median (£)	5,000	18,000	14,250	12,250	7,313
coefficient of variation (%)	112.2	100.9	233.5	181.5	179.7
German valid responses (2005)	12	48	57	40	28
mean (€)	12,868 (£8,879)	18,667 (£12,880)	24,666 (£17,020)	22,313 (£15,396)	8,925 (£6,158)
median (€)	10,800 (£7,452)	12,411 (£8,564)	12,000 (£8,280)	15,300 (£10,557)	4,500 (£3,105)
coefficient of variation (%)	79.5	113.0	133.6	129.3	122.6

Table 3.5: Total individual income by age group (professional authors)

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
UK valid responses (2004-5)	11	52	137	175	133
mean (£)	25,309	32,252	49,433	42,776	34,736
median (£)	18,400	25,500	30,500	27,700	23,500
coefficient of variation (%)	83.1	79.0	176.9	128.6	114.9
German valid responses (2005)	12	50	57	40	26
mean (€)	19,670 (£13,572)	28,169 (£19,437)	36,937 (£25,487)	30,315 (£20,917)	20,844 (£14,382)
median (€)	20,500 (£14,145)	25,000 (£17,250)	25,000 (£17,250)	28,197 (£19,456)	18,278 (£12,612)
coefficient of variation (%)	55.1	79.1	96.6	96.6	66.8

Table 3.6: Total household income by age group (professional authors)

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
UK valid responses (2004-5)	11	53	134	165	132
mean (£)	29,945	46,718	70,683	58,531	43,046
median (£)	25,000	40,000	55,000	40,000	26,756
coefficient of variation (%)	63.9	82.7	123.5	102.3	108.6
German valid responses (2005)	10	47	55	40	25
mean (€)	28,294 (£19,523)	35,696 (£24,630)	52,010 (£35,889)	52,787 (£36,423)	26,837 (£18,518)
median (€)	26,105 (£18,012)	30,000 (£20,700)	40,000 (£27,600)	40,000 (£27,600)	25,000 (£17,250)
coefficient of variation (%)	65.4	73.3	100.9	79.8	44.3

The gender gap

Female professional authors earn on average only 77.5% (UK)/80.6% (Germany) of their male counterparts. Female main-income authors earn on average only 59% (UK)/69.5% (Germany) of their male counterparts. Female audio-visual authors earn on average 82% (UK)/83% (Germany) of their male counterparts.

Table 3.7: The gender gap

Income of female writers as a percentage of male income (mean):	UK	Germany
Professional authors	77.5%	80.6%
Main-income authors	59%	69.5%
Audio-visual authors	82%	83%

Greater rewards, and greater variability of income in the UK

UK authors earn significantly more from their writing across the board. However, the variability of incomes in general is much greater for UK writers – the coefficient of variation is greater in every category and particularly for book writing. Writing, and particularly book writing, is riskier in the UK (higher variability of incomes), but on average more lucrative.

Table 3.8: Writing income of professional authors by genre and media

UK (2004-5)				
Genre/media	*Valid responses*	*Mean writing income (£)*	*Median writing income (£)*	*CV (%)*
Books – fiction	121	35,187	13,000	254.1
Books – children's fiction	59	23,249	15,531	160.3
Books – non-fiction	118	19,294	8,000	245.8
Books – academic/educational	93	24,322	10,000	181.2
Translations	9	8,756	5,000	144.8
Newspapers/magazines	33	22,542	13,195	115.8
Theatre/film writing	41	40,527	20,000	128.8
TV writing	36	43,591	39,419	96.0
of which TV soaps	*11*	*73,863*	*73,000*	*66.5*
Audio, internet and other	22	35,584	13,500	144.2

Germany (2005)				
Genre/media	*Valid responses*	*Mean writing income (€)*	*Median writing income (€)*	*CV (%)*
Books – fiction	73	12,553 (£8,662)	10,000` (£6,900)	97.2
Books – children's fiction	20	18,257 (£12,597)	12,161 (£8,391)	86.5
Books – non-fiction	20	11,660 (£8,045)	6,750 (£4,658)	86.7
Books – academic/educational	48	18,273 (£12,608)	13,700 (£9,453)	92.5
Translations	35	17,783 (£12,270)	15,600 (£10,764)	62.7
Newspapers/magazines	14	15,667 (£10,810)	11,489 (£7,927)	104.0
Theatre/film writing	17	50,294 (£34,703)	19,000 (£13,110)	113.6
TV writing	20	36,213 (£24,987)	28,500 (£19,665)	71.3
Of which TV soaps	*12*	*46,458 (£32,056)*	*42,500 (£29,325)*	*60.1*
Audio, internet and other	23	11,171 (£7,708)	8,000 (£5,520)	92.5

These differences in earning profiles are likely to reflect different market characteristics (such as work-wide licensing of English language publications and productions). Differences in the legal and institutional framework also may contribute to a narrower spread of incomes in Germany.

Contracts

About 43% of professional UK authors have succeeded in changing the terms of a contract offered in 2005, compared to 44% in Germany. In both countries, only about 65% of professional authors take professional advice before signing a publishing or production contract.

Under the Berne Convention, the author's non-economic or moral rights include the right to claim authorship (paternity right) and the right to prevent distortion or derogatory modification (integrity right). In Germany, moral rights (*Persönlichkeitsrechte*) are inalienable – in the UK, these rights can be waved. It appears that this difference in implementation is reflected in German commercial practice, which is more responsive to the author's non-economic rights. Moral rights disputes (mainly relating to being credited as the author) are more than twice as likely in Germany (24.6 % of German writers have had such a dispute, compared to 11.4% of professional UK authors).

In both countries, authors who have engaged in disputes with their publishers or producers tend to earn significantly more than their more compliant colleagues. This is likely to be a two way relationship: publishers or producers may only listen to authors with bargaining power – but equally, engaging in bargaining may increase the author's bargaining power.

Table 3.9 : Writing income of professional authors with and without contractual changes

(a) UK (2004-5)

Have you succeeded in changing the terms of a contract in 2005?	*Valid responses*	*Mean writing income (£)*
NO	245 (57%)	22,950
YES	180 (43%)	40,507
t statistic		2.87***

(b) Germany (2005)

Have you succeeded in changing the terms of a contract in 2005?	*Valid responses*	*Mean writing income (€)*
NO	95 (56%)	13,080
YES	76 (44%)	28,964
t statistic		3.73**

Scant remunerations for Internet use

The Internet permeates everyday life, with about half of UK households now connected to the Internet via a broadband connection. However, authors do not appear to have benefited from this exponential increase in consumption of published and produced works. Only 14.7% of self-defined UK authors, and 9.2% of German writers have received specific payments for Internet uses of their works. For audio-visual authors the figures are even lower (UK: 11.1%, Germany: 6.9%).

4.1 Economic profile of cultural industries in the UK / Germany

There are still no reliable estimates available about the relative sizes of the cultural or creative industries because of various inconsistencies in classification. In particular, it is doubtful to what extent information technology, and various manufacturing and support activities should contribute to quantifying the sector. On the generous approach of the UK Department for Culture, Media & Sport (DCMS), the constituent parts of the creative industries are: Advertising, Architecture, Art & Antiques, Crafts, Design & Designer Fashion, Video Film & Photography, Music & Visual/Performing Arts, Publishing, Software Computer Games & Electronic Publishing, Radio & TV.

For Gross Value Added (i.e. the contribution of the relevant sectors to GDP), two headline figures are:

Creative Industries	UK 2004	Germany 2004
Gross Value Added (GVA)	£56.9 bn	€58 bn (£40 bn)
% of national GVA	7.3%	2.6%

Sources:

Creative Industries Economic Estimates Statistical Bulletin, DCMS, September 2006

Wertschöpfung der deutschen Kulturwirtschaft, M. Söndermann/Arbeitskreis Kulturstatistik e.V., 2006

For comparing the income of writers, the most straightforward sectors under Standard Industrial Classification (SIC) would appear to be: SIC 22 (publishing), in particular 22.11 (books), 22.12 (newspapers) and 12.13 (journals, periodicals) and SIC 92 (culture, sport and entertainment), in

particular SIC 92.11 (film & video production) and 92.20 (radio & TV). However, these do not appear to be available separately from national statistics. The UNESCO World Culture Report 1998 (p. 359) has figures for the number of book titles published per 100,000 people per year: UK = 148; Germany = 86.

Occupational statistics offer an alternative perspective. According to the Labour Force Survey LFS[14] (a quarterly survey of households living at private addresses in Britain), 173,800 people work in publishing occupations. An analysis of 2005 LFS data by the GMB general union[15] reports that 30,000 are employed as journalists, and 11,000 as authors/writers. According to 2004 Mikrozensus data, 141,000 people (employed and self-employed) work in Germany in publishing occupations (occupational group 81.1 –*Publizisten*).[16] In 2001, 24,000 paid tax[17] on income from self-employed writing. According to surveys by the European Federation of Journalists (EFJ)[18], a total of 70,000 work as journalists in the UK of whom 11,000 are free-lance. The equivalent figures for Germany are 75,000 journalists, of whom 40,000 are said to be free-lance. The methodology of the last study is not clear.

These figures appear to indicate sectors of at least comparable size, although of considerably greater significance to the British national economy.

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[14] *Creative Industries Economic Estimates Statistical Bulletin*, Dept. for Culture, Media and Sport (DCMS), September 2006, esp. Table 3.
[15] "Britain's pay league", August 2006.
[16] *Ergebnisse des Mikrozensus 2004*, Band 2: Deutschland, Wiesbaden: Statistisches Bundesamt, 2005.
[17] Commissioned analysis for this study (see Chapter 3, Figure 3.7).
[18] *Freelance Journalists in the European Media Industry*, Report by Gerd Nies and Roberto Pedersini, October 2003.

4.2 Legal and institutional differences between UK / Germany

For the purposes of this study, there are four potentially significant differences in the legal and institutional framework of copyright between Germany and the UK.

A. Moral rights

Article 6bis of the Berne Convention (1928 Rome revision) states that "[i]ndependently of the author's economic rights and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honour or reputation." [1] These rights are known as *droit moral* or moral rights. The UK gave formal recognition with the Copyright, Designs and Patents Act (CDPA) 1988. The main provisions are

- the right to be identified as author or director (paternity right) (ss 77-79)
- the right to object to derogatory treatment (integrity right) (ss 80-83)

However, there are extensive exceptions (ss 79 & 81) for computer programs, newspapers, reference works, works produced under employment. Moral rights can be waived (s 87: "any of those rights may be waived by instrument in writing"). Moral rights can fail for lack of assertion (s 77(1): right to be identified "is not infringed unless it has been asserted in accordance with section 78").

In Germany, moral rights (*Persönlichkeitsrechte*) are inalienable. Retaining this link between work and author may strengthen the bargaining power of writers vis-à-vis exploiters.

[1] Under Berne Convention Article 5, "[t]he enjoyment and the exercise of these [Berne protected] rights shall not be subject to any formality".

B. Contract law

In Germany, there is a separate body of law known as copyright contract law (*Urhebervertragsrecht*, new law 2002). This builds on the so-called *Zweckübertragungstheorie* ("theory of the purpose of transfer") under which author contracts had to specify uses to which a work was put (§31(5) UrhG). Uses not envisaged by the parties at the time of the contract traditionally remained outside the scope of contract (i.e. the rights were retained by the author). Under the new law, authors can now transfer rights to yet unknown exploitations but subject to fair or equitable compensation (*angemessene Beteiligung*).[2] There is also under §32 a new general entitlement to equitable remuneration (*angemessene Vergütung*) from any copyright contract. §36 provides that collectively negotiated tariffs are deemed to be equitable.

This regulation of copyright contracts intervenes in the contractual freedom of parties with the aim to improve the financial position of authors.

C. Levy system

Some countries, such as Ireland, Malta and the UK, have taken the view that it is primarily the right owner's choice if private copying is tolerated. Copyright statutes here conceive exceptions very narrowly, for example in the time-shifting provisions under section 70 of the UK's Copyright, Designs and Patens Act (CDPA) 1988, which allows recording of a broadcast "in

[2] §31(5) UrhG also specifies: "If the types of use to which the exploitation right extends have not been specifically designated when the right was granted, the scope of the exploitation right shall be determined in accordance with the purpose envisaged in making the grant. Appropriate factors to consider for the question of whether a right to use is granted, is whether it concerns a simple or exclusive right to use, the extent of the right to use and the right to prohibit, and what restrictions affect the right to use."

domestic premises for private and domestic use… solely for the purpose of enabling it to be viewed or listened to at a more convenient time".[3]

Many civil law jurisdictions have avoided this dichotomy between free use and exclusive rights following the concept of *Vergütungsanspruch*, or claim to remuneration, in the German copyright law of 1965 (UrhG). A statutory claim to remuneration for unauthorised private copying could be seen as an additional debt of the user (i.e. not an exception) or as a compulsory licence. In any case, the income streams attached to this new construction were soon considerable. Levies were set on both copy equipment (such as photocopiers and CD-burners) and media (such as blank tapes, CD-Rs and memory cards). For example, there is currently a levy of €12 on all personal computers sold in Germany. In 2004, the largest collecting societies GEMA (musical works) and VG Wort (literary works) had levy fee income in the region of €30 million each. For details of the levy system as it applies to VG Wort, see Chapter 4.4.

D. Mandate and constitution of collecting societies

Where collecting societies are not mandated by Statute as the only mechanism for exercising certain rights (as is the case for rental and cable re-transmission rights under European Directives 92/100/EEC and 93/83EEC), it is left to individual right owners to decide whether to administer a right collectively, and through which organisation. In Germany, VG Wort is voluntarily constituted as a joint corporation of authors and publishers. In the UK, ALCS only acts for authors while collecting jointly with publishers for specific rights (copying of books, journals, magazines, periodicals) through a third company (the Copyright Licensing Agency: www.cla.co.uk).

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[3] Following the Gowers Review of Intellectual Property (HM Treasury: December 2006), this provision is currently under review to allow format shifting for music. No levy scheme is being contemplated.

These different institutional arrangements are the result of historical accidents and commercial bargaining. They are reflected in differences in the rights administered (ALCS has not mandate for journalists), and different distribution shares between authors and publishers (which are more in favour of authors in Germany). See the following sections for further details of ALCS and VG Wort's mandate and distribution scheme.

4.3 ALCS Licences 1995-2005

Writers' collecting societies administer rights for so-called secondary uses - that is, uses that have not been included in the primary exploitation contract for literary or dramatic works with publishers or producers. Despite their rather limited mandate, collecting societies may support important policy aims.[4]

The Authors' Licensing & Collecting Society (ALCS) was established in 1977 as a not-for-profit company with the cooperation of two professional bodies, the Writers' Guild of Britain and the Society of Authors, who each have four representatives on the ALCS board. A further four independent board members are elected by ballot. Unlike VG Wort, ALCS only represents authors not publishers (it had mandates for about 50,000 writers in 2005 with a target of 100,000 by the end of the decade). However, more than two thirds of ALCS income derives from reprography fees collected through the Copyright Licensing Agency (CLA), acting jointly on behalf of ALCS and the Publishers' Licensing Agency (PLS).

In the UK, the public lending right (created by the Public Lending Act 1979) is administered by a separate agency as an intellectual property right independent of copyright legislation. Under the PLR scheme, the government pays funds to authors for the free borrowing of books from public libraries in the United Kingdom. (For comparative German figures, see Chapter 4.4).

[4] For further discussion, see M. Kretschmer (2002), "The Failure of Property Rules in Collective Administration: Rethinking copyright societies as regulatory instruments", *European Intellectual Property Review (EIPR)* 24/3: 126-137; and M. Kretschmer (2007), "Access and Reward in the Information Society: Regulating the collective management of copyright" (mimeo, available at www.cippm.org.uk).

Principles of the distribution scheme

The distribution of licence fees collected through the Copyright Licensing Agency (CLA) is negotiated between ALCS and Publishers' Licensing Agency (PLS). For books, authors and publishers split 50/50. For serials (journals, magazines), historically the publishers have retained 100%. Since 1998, this has moved to 75/25 in cases where ALCS could challenge the publisher's claim to ownership. From 2005, a general split of 85/15 has been agreed. The author's share for many broadcasting licences is 22% (of which ALCS receives about half).

Main sources of income

1. Photocopying

Reprographic licences are collected through the Copyright Licensing Agency (CLA) for photocopying in schools, colleges, universities, businesses and the national health service. Certain CLA licences also permit the digital scanning of works. CLA income is split four ways: to publishers, to ALCS, to international reprographic rights organisations (for foreign works copied in the UK) and to DACS, the UK collecting society for visual artists. In 2004/05, ALCS received about £11 million from CLA (70% of total ALCS revenues).

2. Foreign public lending right

Payments are received from German and Dutch collecting societies for works borrowed in the original English language edition or in translation.

3. Cable retransmission

Cable retransmission is the simultaneous showing of one country's television signal in another country via satellite, cable or the Internet. ALCS collects from UK broadcasters and several European countries. Of foreign retransmission licences, broadcasters receive 42%, audio-visual producers

receive 34% via AGICOA, copyright authors receive 22%. ALCS gets an overall share of circa 10%.

4. BBC

ALCS licenses BBC Worldwide (the commercial arm of the BBC) for the retransmission of BBC television programmes containing literary and dramatic works. In 2004/05, the BBC paid ALCS a flat fee of about £1,3 million.

5. Radio retransmission

Certain UK radio signals are subject to a number of secondary broadcasts, including retransmission by cable or satellite and streaming on the Internet.

6. Off-air recording

ALCS is a member of the Educational Recording Agency (ERA). ERA operates a licensing scheme for off-air recording of broadcasts of UK channels by educational establishments in the UK. ALCS collects the writers' share of these payments and collects revenues for equivalent schemes operating overseas through reciprocal agreements.

7. Private copying and other small rights

Under its agreements with overseas bodies, ALCS is paid the UK writers' share of remuneration fees collected in those territories for levies charged on recording media and equipment (see Section 4.4 below).

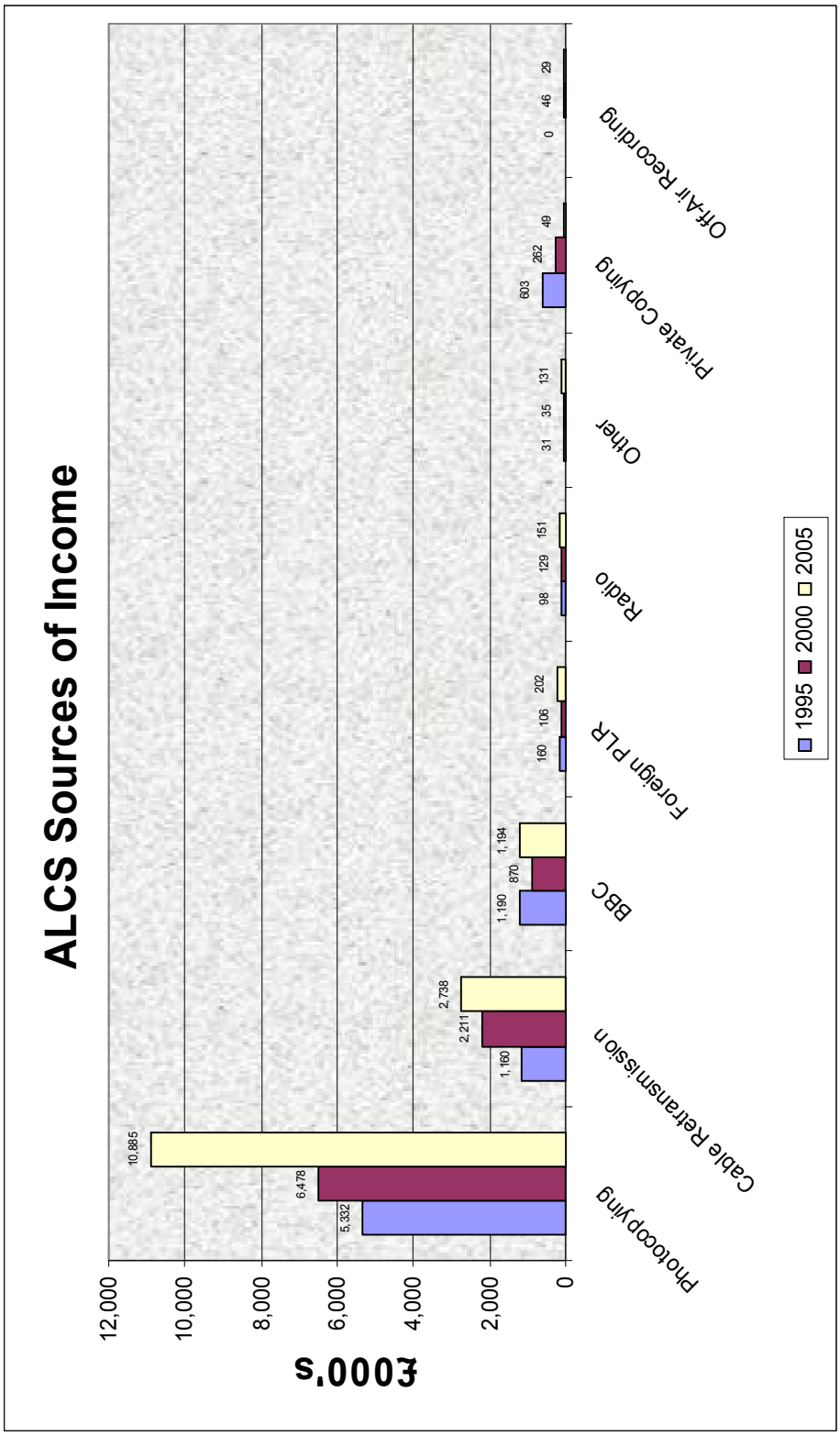
ALCS Sources of Income
£000's
12,000
10,000
8,000
6,000
4,000
2,000
0
1995
2000
2005
Photocopying
Cable Retransmission
BBC
Foreign PLR
Radio
Other
Private Copying
OffAir Recording
10,885
6,478
5,332
2,738
2,211
1,160
1,194
870
1,190
202
106
160
151
129
98
131
35
31
603
262
49
29
46
0

Figure 4.1

4.4 VG WORT Licences 1995-2005

(Friedemann Kawohl)

VG Wort is a corporation formed of authors and publishers. According to VG Wort, there are about 280,000 authors and 7,000 publishers entitled to licences. However, formal membership is constrained by a yearly minimum rate. 310 members, among them 230 authors and 80 publishers, are representing 6 professional groups:

(1) authors of fiction and drama
(2) journalists and non-fiction authors
(3) authors and translators of scholarly literature
(4) non-fiction publishers
(5) dramatic publishers
(6) scholarly publishers

In the members' annual general meeting a distribution scheme is negotiated.

Principles of the distribution scheme

As a matter of principle, authors receive 100% for non-published works (e.g. film scripts). Articles distributed in press reviews (newspaper cuttings) are treated as if there were no publisher involved. For published works, authors receive 70% and publishers 30%. For translations, authors 35%, translators 35%, publishers 30%. For certain licences the distribution scheme is deviates from this principle.

Main sources of income

1. Public Lending Right (Bibliothekstantieme)

Since 1972 authors and publishers are entitled to a public lending right (PLR). At that time it was VG Wort's second main source of income (next to radio). PLR systems had earlier been established in Denmark (1946),

Sweden (1955), Finland (1961) and Netherlands (1971). However, the German legislation was the first to integrate PLR into the copyright act.

Authors and publishers are entitled to PLR. Claims to payment of PLR can only be made via copyright collecting societies. Due to the German regional states' (Länder) main responsibility for education and research, PLR is supported by 90% Länder and 10% federal government (Bund).

Every other year the total amount of PLR (2002: €13,16m) is negotiated between the Länder's education ministers (Kommission Bibliothekstantieme) and a body formed by several collecting societies (Zentralstelle Bibliothekstantieme).

According to an agreement between the relevant collecting societies, PLR is divided as follows[5]:

92.3%:	VG Wort (authors and publishers of literary works)
6.35%:	VG Bild-Kunst (authors and publishers of visual works)
2.50%:	GEMA (authors and publishers of musical works)

Apart from books, public libraries provide a growing amount of non-books, e.g. CDs, DVDs, computer games and other software. Thus in 2002 the Zentralstelle Bibliothekstantieme has been opened to collecting societies of right holders of neighbouring rights: Gesellschaft zur Verwertung von Leistungsschutzrechten m.b.H, Hamburg (GVL), Gesellschaft zur Übernahme und Wahrnehmung von Filmaufführungsrechten m.b.H., Wiesbaden (VGF), Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten m.b.H., München (GWFF), Verwertungsgesellschaft der Film- und Fernsehproduzenten m.b.H., München (VFF).

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[5] Irmgard Schmitt, Entwicklung des Public Lending Right (PLR) in Deutschland, in; Bibliotheksdienst 37. Jg. (2003), H. 10

13% of total lendings in public libraries are non-books. According to agreements between Zentralstelle Bibliothekstantieme and Kommission Bibliothekstantieme, lending of a Non-book triggers double the book fee. In 2002 Bund and Länder payed a total of €13.16m for books (88.5%) and non-books (11.6%).

In 2002 VG Wort's share of the total PLR € 13.16 m was €9.64 m (73,25%). €5.11m payed to authors and publishers (70 : 30), whose books had been on loan in a particular sample of public libraries. Every three years there is a special payout
(Sonderverteilung Bibliothekstantieme) for authors and publishers who didn't get anything in three years because the sample libraries did not record any lendings. Scientific publishers voluntarily don't claim their share of the payout. The authors' share is distributed individually according to the authors' declarations.

In comparison, the UK income from PLR was in 2003 more than £ 7 Mio (2002: £5.2 Mio). In the UK 19,064 (2003) authors received money from the PLR (2002: 17,581). In 2003, 251 authors received the maximum amount of £6,000. 1,419 authors received more than £1,000. Because of a minimum sum of £5, many authors do not get paid at all. Between 1983 and 2003 about £77 Mio were transferred to the authors.

2. Readers clubs

Contributions from Readers Clubs (Lesezirkel) have been declining since 1995. In 2004, VG Wort abandoned the category. A Readers Club share is now included in both "Presse-Repro" (popular magazines) and "Wissenschaft" (scientific journals).

3. Video rental

Contributions from video rentals (Videovermietung) are supplied by commercial video/DVD rental shops and collected by "Zentralstelle für Videovermietung" (ZVV), an agency run by collecting societies lead by GEMA. VG Wort's share is 23%.

4. Photocopying in schools

Based on yearly estimates of the amount of copying, a lump sum is agreed between VG Wort and the Länders' education ministries. VG Wort collects and transfers the shares of VG Bild-Kunst (visual art) and VG Musikedition (music publishers' neighbouring rights for new editions of scores). For textbooks a particular share is paid directly to the publishers who have declared that they will forward a 50% author's share directly to the authors. Thus textbook authors receive their cheques without even claiming their rights individually with VG Wort.

5. Levy on copying machines "Kopiergeräteabgabe"

Levies on copying machines are VG Wort's biggest single source of income. Claims to this levy can only be made via collecting societies against producers, importers, dealers of copying devices specifically designed for copying.

The legal basis is §54a Abs.1 UrhG. The levy is meant to compensate for private copies allowed in §53. When introduced in 1965 it applied to tape recorders and later was extended to photocopying machines, video recorders, scanners, laser printers, reader printers, CD writers and fax machines.

In 2005 VG Wort succeeded in a case against Fujitsu Siemens Computers GmbH who had argued that a computer as such does not literally "copy" a work of literature without the use of a printer and special software. VG

Wort's attempt to establish a €30 levy on computers was rejected. The Munich court (Landgericht München 14.01.2005) fixed the levy at €12.

The latest attempts to amend the federal copyright law have caused disputes between authors and publishers. According to the government's draft bill (Regierungsentwurf »Zweiter Korb« – März 2006 http://www.urheberrecht.org/topic/Korb-2/bmj/1174.pdf) there will be a maximum levy limit of 5% of the retail price of any equipment (from all levy sources). The levy is not longer fixed by law but rather to be negotiated between collecting societies and hardware producers. Authors and publishers can claim levies only for devices used for copying "to a substantial degree" ("in erheblichem Umfang"), i.e. more than 10 %. Collecting societies need to prove that certain devices are used "in erheblichem Umfang" for copying.

6. Copy shop levy

VG Wort runs an agency to collect levies from about 16,000 copy shops.

7. Posting of copies "Kopienversand"

Users from Germany, Austria and Switzerland can order copies of journal articles or parts of books (printouts via mail or electronic copies via email) via the platform *Subito* http://www.subito-doc.de. If one of the 35 cooperating research libraries in Germany, Austria and Switzerland keeps a hard copy of the demanded journal the reader gets a copy within days for about € 9 (up to 20 pages) regardless of any online-services which might be provided by the publishers directly.

The levy for this practice has no statutory basis but is derived from a federal court (BGH) decision in 1999: Right holders cannot prevent libraries from doing so. However, since posting copies considerably interferes with

normal exploitation, the federal court drew an analogy to other forms of non-exclusive rights.

VG Wort had an agreement with Bund and Länder governments covering photocopies and electronic copies. The contract ended in 2004. Journal publishers are contesting the applicability of the BGH decision to electronic copies in court.

Under the 2006 copyright draft amendment ("Regierungsentwurf" 2. Korb, § 53a). *Subito* would only be entitled to supply an article per e-mail, if the article was not available electronically elsewhere (e.g. on a publisher's commercial service).

8. Press cuttings (Pressespiegel)

There are about 700 press reviews in Germany, most of them edited for in-house use in companies, authorities and other organisations. § 49 I 1 explicitly allows copying and publishing of press reviews. However, § 49 I 2 entitles the authors to claim a remuneration. Based on individual contracts with VG Wort, editors of press reviews pay VG Wort according to circulation and the amount of copyrighted material used.

VG Wort registers all uses in press review and transfers the money individually to the respective journalists.

9. School books "Schulbuch"

UrhG § 46 I 1 allows the publication of works or part of works without explicit permission of the right owners in collected editions being used in schools, churches and for teaching purposes. However, remuneration is required. In practice, school book publishers are registering in advance all planned editions with VG Wort, before this information is forwarded by VG

Wort to the authors. VG Wort transfers the money individually to the respective authors.

10. Private copying and public performance of broadcast works ("Hörfunk / Fernsehen")

There are two so-called secondary rights ("Zweitverwertungsrechte") for right-owners of broadcast works. (1) A levy on video and tape recording machines and blank CDs / DVDs (54 Abs. 1 UrhG), intended to compensate rights-owners for private copying of their broadcast works. (2) A levy on the use of radios in public places (mainly hotels and restaurants) (§§ 21 und 22 UrhG). These rights can only by claimed via collecting societies for legal (§54) or for practical reasons (§21, 22).

VG Wort distributes the income according to four categories: (1) the type of broadcast work, e.g. lyric, sports report, documentation, (2) the length, (3) the time of day and (4) the coverage of the broadcasting. Thus peak times and nationwide broadcastings get a bigger share than late night programs in regional stations.

11. Broadcasting rights for literary works ("Kleine Senderechte")

As an exclusive right, the right to broadcast a literary work has to be cleared individually. However, for works or part of works up to 15 minutes (radio) or 10 minutes (television) VG Wort has negotiated a flatrate with public service broadcasters on a trust basis for both authors and publishers. Even authors and publishers who have not entered a contract with VG Wort do receive their share from "Kleine Senderechte" based on the detailed records of public service broadcasters.

12. Cable retransmission national and Cable retransmission international

In 1993 the Council Directive on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite

broadcasting and cable retransmission 93/83/EEC was implemented in German law. The directive was meant to establish a secure legal framework for cross-frontier satellite broadcasting. The German legislator, in addition, introduced a right of cable retransmission on a national level. According to §20 b it is a non-exclusive right of the author. After the author has transferred this right to a broadcasting organisation, he still is entitled (§20 b (2) to a fair compensation ("angemessene Vergütung"). A compulsory licence for both broadcast organisations and the companies organising the cable transmission was introduced in §87 UrhG.

According to VG Wort's distribution scheme, scriptwriters receive 100% for both published and unpublished scripts whereas publishers of the dramas receive a 30% extra.

Arge Kabel, an agency formed by collecting societies GVL (performers' rights), VG Bild-Kunst (visual art) is run by VG Wort and takes a cut of 2% for administering the collecting procedure.

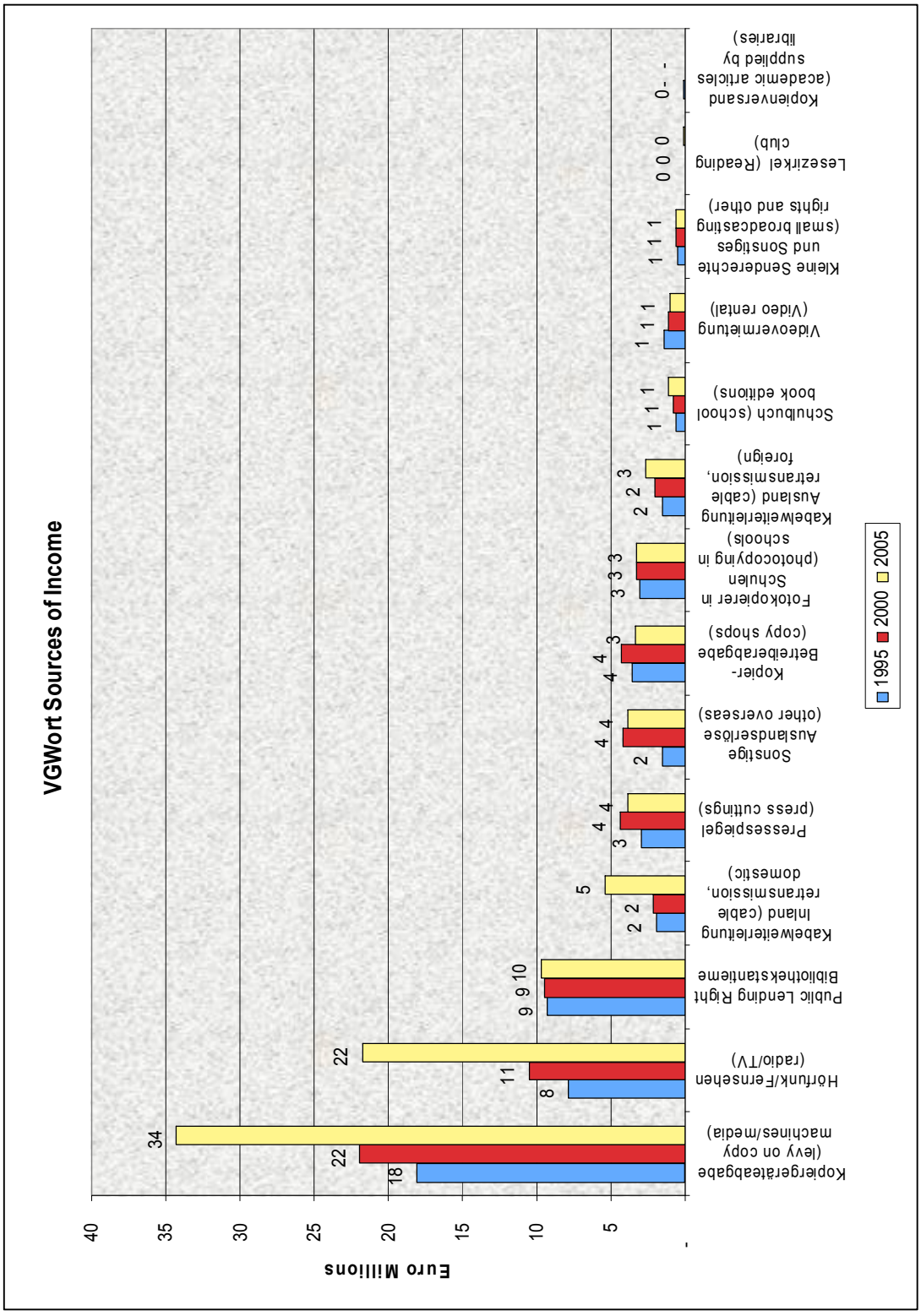

VGWort Sources of Income
Euro Millions
1995 2000 2005
Kopiergerätevergütung (levy on copy machines/media)
Hörfunk/Fernsehen (radio/TV)
Public Lending Right Bibliothekstantieme
Kabelweiterleitung Inland (cable retransmission, domestic)
Pressespiegel (press cuttings)
Sonstige Auslandserlöse (other overseas)
Kopier-Vergütungsabgabe (copy shops)
Fotokopieren in Schulen (photocopying in schools)
Kabelweiterleitung Ausland (cable retransmission, foreign)
Schulbuch (school book editions)
Videovermietung (Video rental)
Kleine Senderechte und Sonstiges (small broadcasting rights and other)
Lesezirkel (Reading club)
Kopienversand (academic articles supplied by libraries)

Figure 4.2

5. Literature Review: Empirical Evidence on Copyright Earnings

The available secondary data on authors' and artists' earnings come from three different sources: (a) government statistics (census, labour market surveys, tax); (b) questionnaire surveys of specific professional groups; and (c) collecting society payments. For the purposes of assessing the possible contribution of copyright law to authors' and artists' earnings, two aspects are of particular interest. (1) The level and distribution of earnings for cultural workers, compared to other professions; (2) Earnings from the principal artistic activity compared to other sources of earnings.

This chapter was written as a literature review at the outset of our own questionnaire survey.

5.1 The distribution of earnings in the cultural professions

A simple tool for making comparable the distribution of income in a given population is the so-called **Lorenz Curve.** To construct a Lorenz curve, the cumulative percentage income in the vertical y-axis is plotted against the cumulative percentage population in the horizontal x-axis. The Lorenz curve is used to calculate the Gini Coefficient (see explanation in Chapter 3.3).

In order to provide a context, we also have given for each data set the **mean** ("average income"), and **median** ("income at mid-point of the sample"). In

some sense, the median is the income of a "typical" member of the population, as the mean may be distorted by some very high or low earners.

Distribution of UK employee earnings

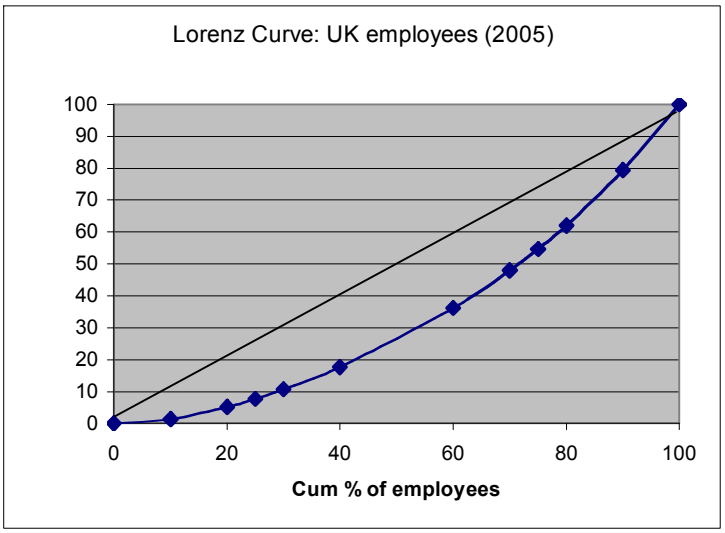
As a baseline example, consider the distribution of earnings (gross) for all UK employees in 2005 derived from the Annual Survey of Hours and Earnings (ASHE). ASHE is run by the Office for National Statistics (ONS) and based on a 1% sample of employees on the Inland Revenue PAYE register, weighted to be representative of the whole population. The Survey provides information about the levels, distribution and make-up of earnings and hours worked for employees in all industries and occupations.[6]

In re-formatting the earnings data into a Lorenz-curve, it is easy to see that the bottom 40% of employees earn about 20% of total income; and that the top 10% equally earn about 20% of total income. This deviation from the diagonal equal distribution line produces a Gini Coefficient of 0.33.[7]

[6] The job-types that are under represented tend to be males, tend to be working in London and the South East and tend to be in Standard Occupational Classification (SOC) 2000 major groups 1 to 3 (1: Managers and Senior Officials; 2: Professional Occupations; 3: Associate Professional and Technical Occupations). Therefore these jobs receive larger weights (cf. Bird, 2004). ASHE data can be downloaded as Excel files from the website of the Office for National Statistics (http://www.statistics.gov.uk).

[7] For comparison, consider the distribution of income for all households as given by the United Nations Human Development Programme Report (2004, pp. 50-53): Germany: 0,274 (2003); France: 0,327 (1995); UK: 0,360 (1999); Japan: 0,249 (1993); USA 0,408 (2000). Within the UK, equal earnings professions include "skilled metal and electrical trades" (occupational class 52; Gini = 0.22) and "health and social welfare associate professionals" (occupational class 32; Gini = 0.25). Higher inequality professions include "corporate managers" (occupational class 11; Gini = 0.39).

Figure 5.1



Average earnings/year (Mean): **£23,400**
Median earnings/year: **£19,190**
Gini Coefficent: **0.33**

Source: From data in Annual Survey of Hours and Earnings, UK Office for National Statistics (2005)

The Annual Survey of Hours and Earnings (ASHE) separates out earnings data for occupational class 34: Culture, Media and Sport Occupations (sample size: 204), a sub-class of major class 3: Associate Professional and Technical Occupations (sample size: 2785). Mean (£27,474) and median (£22,919) earnings for this group (class 34) are both above average, while the Gini Coefficient (0.34) is in line with all employees. However, the data is not broken down to a sufficient level of detail, covering a divers range of professions from designers (class 3422) and journalists (class 3431) to public relations (class 3433) and fitness instructors (class 3443). The sample for the core group of Artistic and Literary Occupations (class 341) is too small to draw reliable probabilistic inferences:

Artists (class 3411, no member in sample)

Authors, writers (class 3412, 14 members in sample)[8]

[8] An analysis of ONS Labour Force Survey data by the GMB union identifies 11,000 authors/writer jobs, and calculates a mean gross annual pay for 2005 as £32,296 (Independent, 21/08/2006).

Actors, entertainers (class 3413, no member in sample)

Dancers and choreographers (class 3414, no member in sample)

Musicians (class 3415, no member in sample)

Arts officers, producers and directors (class 3416, 9 members in sample)

In any case, ASHE data does not capture self-employed earnings (which copyright earnings would be almost by definition).

Artists' insurance data Germany

A fine-grained large-scale data set on artists' earnings is available as part of a unique German policy experiment: a compulsory insurance for freelance authors and artists that was introduced with the 1982 *Künstlersozialversicherungsgesetz* ("social insurance law regarding artists"). Similarly to the structure for employees, self-employed artists in the four sectors 'Word authors', 'Visual arts/design', 'Music' and 'Performing arts' (actors, directors) become members of a subsidized national health and pension insurance scheme. The insured artist pays 50% of the contribution, while "exploiters of art" (e.g. publishers, galleries) contribute 30%, and 20% comes from the federal government (general taxation).

In order to set their individual contribution rate, artists have to declare their yearly income. In the aggregate, this insurance data has been published in a report by the Federal Ministry of Employment.[9] In 1999, 107,167 authors and artists were insured in the insurance scheme *Künstlersozialkasse*. Of those that could be allocated unambiguously to one professional group, there were 29,245 ('Word') authors, with an average annual income (mean) of DM 25,686 (€13,133); 45,486 visual artists, with an average annual

[9] *Bericht der Bundesregierung über die soziale Lage der Künstlerinnen und Künstler in Deutschland*, Bundesministerium für Arbeit und Sozialordnung, 31. März 2000; cited in the following as Künstlersozialkasse (2000).

income of DM 19,889 (€10,169); 29,720 musicians, with an average annual income of DM 17,392 (€8,892); 12,433 performing artists, with an average annual income of DM 18,920 (€9,674). Overall, mean earnings per annum for all insured artists were DM 21,868 (€11,181); median earnings were DM 15,753 (€8,054). This compares to an average (mean) German net income in 2004 of €31,157, and a median of €28,730.[10] The typical (median) German self-employed artist earns about one third of the income of a typical (median) worker.

For each sector, the data can be narrowed down to the copyright professions, i.e. the groups that depend most clearly on a statutory right. For example, for the music sector the table below shows that the average annual earnings for a German composer in 1999 (total in *Künstlersozialkasse*: 3,670) were in the region of DM 22,000 (€11,225).

[10] *Ergebnisse des Mikrozensus 2004*, Wiesbaden: Statistisches Bundesamt (cited as Mikrozensus 2004). Mikrozensus is an annual representative survey of 1% of the population. Three possible distortions of the *Künstlersozialkasse* insurance data should be noted. (i) Artists have an incentive to under-declare their income, as that reduces their annual contribution. For example, according to the 2000 Mikrozensus data, workers in the occupational group Publizistik (including writers, translators and editors) earned an average (mean) of DM 37,199 (€19,020) per annum, and a median of DM 35,160 (€17,977). This is about €5,000 per annum more than members of the insurance scheme in comparable self-employed professions declared. (ii) As a subsidised scheme, the insurance is attractive to many self-employed workers which are not primarily artists (such as music teachers, graphic designers or part-time journalists). (iii) Top-earners can opt out of the scheme in favour of private insurance.

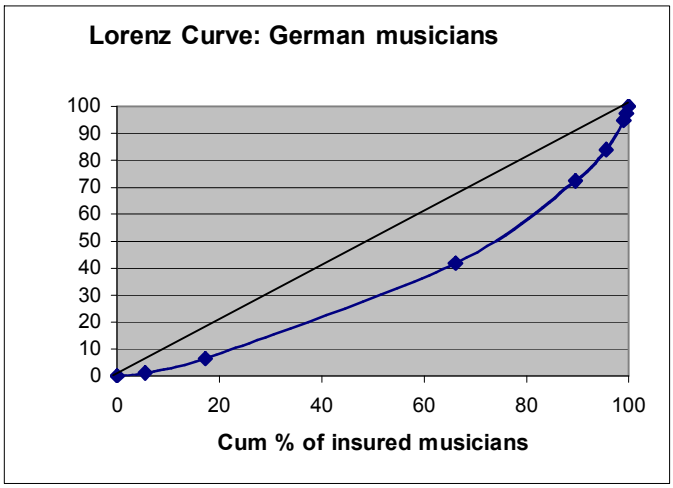
Table 5.1: Künstlersozialkasse occupational group music (1999)

Activity	*Number of artists*	*Total income in DM 1,000*	*Average annual income (DM)*
Composer	3,670	80,570	21,954
Lyricist	215	5,770	26,837
Arranger	428	7,702	17,995
Conductor	265	6,916	26,098
Choirmaster	400	8,026	20,065
Instrumentalist Solo	1,618	24,971	15,433
Orchestra Player (E)	553	7,928	14,336
Singer (opera, musical)	492	8,400	17,073
Singer (concert)	398	5,963	14,982
Singer (choir)	50	746	14,920
Singer (popular)	1,632	32,412	19,860
Pop musician	2,661	42,508	15,974
Kurorchester	483	8,241	17,062
Jazz and Rock	2,899	42,084	14,517
Technical staff	506	10,260	20,277
Teacher	11,838	197,490	16,683
DJ	691	12,186	17,635
Others	921	14,708	15,970
Total	29,720	516,881	17,392

Source: German Federal Ministry of Employment Künstlersozialkasse (2000), p. 14

Figures for the distribution of earnings were only available for an aggregate of all musicians. About 90% of musicians earned below DM 30,000 (€15,339). 2,650 musicians earned above DM 30,000, with 125 musicians earning above DM 102,000 (approximately €52,152). The large number of teachers in the sample (who tend to earn similar amounts), as well as the absence of some top-earners may account for a relatively flat Lorenz curve, and a Gini Coefficient (0.31) that is similar to the total population. The distribution of income for the other three occupational groups is slightly less equal (Actors, Gini: 0.36; Authors, Gini: 0.38; Visual artists, Gini 0.39).

Figure 5.2



Source: From data in German Federal Ministry of Employment, Künstlersozialkasse (2000)

Average earnings/year (Mean): **€8,892**

Median earnings/year: **€7,535**

Gini Coefficent: **0.31**

UK Society of Authors earnings survey 2000

For the UK, there exist a number of smaller questionnaire surveys of specific regional sub-groups conducted during the 1990s at the instigation of the Arts Councils in England, Wales and Scotland. These studies, reviewed in Towse (2001), are based on small samples but paint a similar picture to the German experience.[11] Average earnings are low, and are typically supplemented by income from other, often non-artistic sources (see section 2.2 below). For example, Ruth Towse's study of 2000 artists in Devon (1989/90) gives mean annual earnings of £8,344, and median annual earnings of £6,900. Interestingly, the distribution of income from artistic activity alone (a sub-set of total earnings) is more skewed. According to Towse, mean arts earnings (net of expenses) is £5,881 per annum, while the median is only £2,100. In other words, the typical (median) artist living

[11] Towse, R. (2001). *Creativity, Incentive and Reward: An Economic Analysis of Copyright and Culture in the Information Age*. Cheltenham: Edward Elgar; esp. Chapter 3 ("Economics of Artists' Labour Markets")

in Devon in 1989/90 earned £2,100/year from his/her artistic activity. The large gap between mean and median suggests the presence of many low and some very high earners in the sample.

A larger scale study bearing this out clearly is the questionnaire survey of authors' earnings reported by the Society of Authors in 2000. The Society of Authors is the largest professional body of writers in the UK, with a membership in 1999 of 6,600. According to the Authors' Licensing and Collecting Society (ALCS) which can reasonably claim to have almost all commercially published UK authors on their database (41,701 payees in 2005), the profile of the Society of Authors membership (e.g. age, gender, genre) corresponds to the total population of UK writers.[12] 1,711 authors responded to the questionnaire (this is a very high response rate of more than 25%), and according to the analysis published by Kate Pool[13], the profile of respondents again mirrored the Society's membership as a whole.

The questionnaire only asks after the authors' earnings as a self-employed writer, excluding salaried writing, second job earnings, investment income, family or social security support. Thus it can be assumed that all reported figures derive from a copyright related sub-set of the author's principal artistic activity.

The survey revealed average (mean) earnings of £16,600 per annum, with median earnings of £6,333, again indicating the presence of many low earners and some very high earners in the sample. 75% earned under £20,000 per annum, 61% under £10,000 and 46% under £5,000. Writing was the sole source of income for only 230 people (13,5% of respondents). In the Society of Author sample, the typical (median) writer earns about a third of the national median wage.

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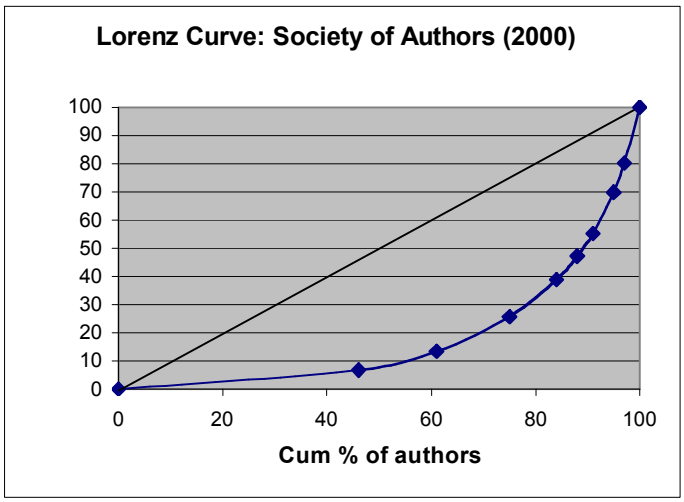
[12] Personal communication, Owen Atkinson, CEO ALCS.
[13] Pool, K. (2000), "Love, Not Money", *The Author* (summer 2000), pp. 58-66

Figure 5.3



From 1998-99 data in Society of Authors survey, reported in Pool (2000)

Average earnings/year (Mean): **£16,600**

Median earnings/year: **£6,333**

Gini Coefficent: **0.6**

Performing Right Society (PRS) payments 1994

The emerging trend in the distribution of income is confirmed by the payments of copyright collecting societies. These data are privately held, and thus not easily accessible. A 1996 report by the UK Monopolies and Mergers Commission (now Competition Commission) on the UK Performing Rights Society (PRS) is the most reliable source.[14]

The figures show that in 1994, PRS paid a total of £20,350,000 to 15,500 entitled composers and songwriters, for the public performance and broadcasting of their works.

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[14] *Performing Rights* (1996), UK Monopolies and Mergers Commission, HMSO Cm 3147

Table 5.2: PRS distribution (1994)

Bands of net domestic distributed revenue* £	Number of writers	%	Cumulated % from top	£m	%	Cumulated % from top
Up to 24	4,812	31.0	100.0	0.04	0.19	100.0
25 – 49	1,624	10.5	69.0	0.06	0.29	99.8
50 – 74	1,001	6.5	58.5	0.06	0.30	99.5
75 – 99	800	5.2	52.0	0.07	0.34	99.2
100 – 149	920	5.9	46.9	0.11	0.56	98.9
150 – 199	632	4.1	40.9	0.11	0.54	98.3
200 – 249	460	3.0	36.8	0.10	0.50	97.8
250 – 499	1,481	9.6	33.9	0.53	2.6	97.3
500 – 749	750	4.8	24.3	0.46	2.2	94.7
750 – 999	452	2.9	19.5	0.39	1.9	92.4
1,000 – 2,499	1,130	7.3	16.6	1.79	8.8	90.5
2,500 – 4,999	590	3.8	9.3	2.11	10.4	81.7
5,000 – 9,999	389	2.5	5.5	2.75	13.5	71.4
10,000 – 19,999	255	1.6	3.0	3.50	17.2	57.9
20,000 – 49,999	164	1.1	1.3	4.98	24.5	40.7
50,000 – 99,999	30	0.19	0.26	2.04	10.0	16.2
100,000 and over	10	0.06	0.06	1.26	6.2	6.2
Total	15,500	100		20.35	100	

**Note:* Excluding earnings equalisation allowances, unlogged performance allocations, and revenue from performance of films.

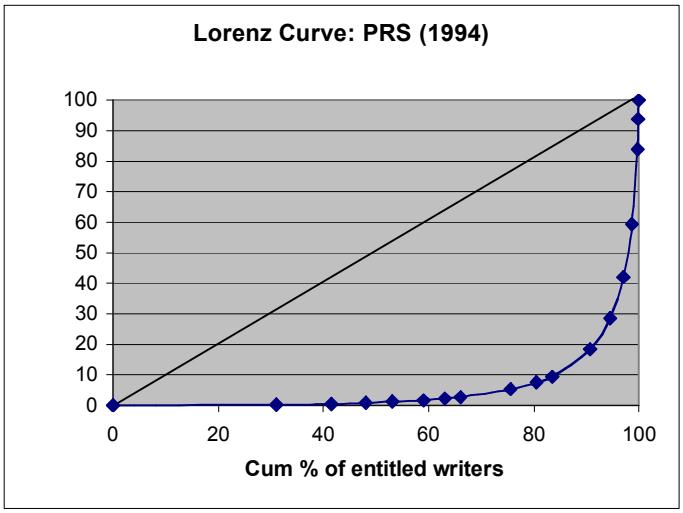
Source: Monopolies and Mergers Commission: Performing Rights (1996)

We see that, in 1994, 10 composers earned more than £100,000; 204 more than £20,000; 459 more than £10,000; 848 more than £5,000; 1,438 more than £2,500; and 8,237 under £100. The typical (median) composer earned £84 in performing right income. Despite dramatically increased turnover and a doubling of the membership to 30,000 by 2000, the distribution of earnings from PRS payments appears to have remained similar. In 2000, 200 composers and songwriters received more than £100,000; 700 more than £25,000; 1,500 more than £10,000; 2,300 more than £5,000; 16,000 under £100.[15]

[15] PRS Annual Report 2000, cited in Bently, Lionel (2002), *Between a Rock and a Hard Place: The problems facing freelance creators in the UK media market-place*. London: Institute of Employment Rights

The distribution of earnings again can be plotted as a Lorenz curve, with startling results:

Figure 5.4



Source: From data in Monopolies and Mergers Commission: Performing Rights (1996)

Average earnings/year (Mean): **£1,420**
Median earnings/year: **£84**
Gini Coefficent: **0.88**

In addition to performing royalties, composers/songwriters can expect to earn a similar amount from mechanical royalties for the sale of sound recordings. The figures for 2000 suggest that in the UK, about 1500 (5%) composers/songwriters reach the average (mean) national wage from copyright earnings alone. According to the German collecting society GEMA (administering both performing and mechanical rights for musical

works), about 1,200 German composers/songwriters (2,4%) can live from their creative output.[16]

Summary 1: In this sub-section, we have narrowed the analysis of the distribution of earnings in the cultural professions, from the total self-declared income of authors and artists (Künstlersozialkasse insurance data), to income from self-employed artistic activity (Society of Authors), to collectively negotiated copyright income (PRS). It appears that the more copyright related the income stream, the more extreme is the distribution of income (reflected in very high Gini Coefficients).[17] A small number of very high earners earn a disproportionate share of total income.[18]

5.2 Earnings from principal artistic activity

How does the vast majority of authors and artists who cannot claim to make a living from copyright income balance their books? In order to make progress on this question, it needs to be defined more precisely who counts as a member of the population for which copyright earnings should matter.

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[16] A. Dümling, *Musik hat ihren Wert: 100 Jahre musikalische Verwertungsgesellschaft in Deutschland* (Regensburg: ConBrio, 2003), 313; citing Wahren, 1995. "Creative output" in this quote may include income from commissions or grants that would not qualify as copyright income.

[17] It may be possible to differentiate this picture further by contrasting the situation for literary authors, audio-visual authors, actors, visual artists, composers, performers etc. It appears that the greater the presence in global English speaking markets, and the less dependent on localised 'live' activity, the more tilted earnings will be towards winners. For example, an analysis of contemporary art sold at British auctions reveals a Gini Co-efficient of 0.72, the second highest Gini we found after music (own data, based on K. Graddy and S. Szymanski, "A study into the likely impact of the implementation of the Resale Right for the Benefit of the Author of an Original Work of Art", London: Intellectual Property Institute, 2005).

[18] For a network explanation of the fashion characteristics of cultural markets, see Kretschmer, M., G.M. Klimis, and C.J. Choi (1999), "Increasing Returns and Social Contagion in Cultural Industries", *British Journal of Management* 10: S61-72. There is also an established literature on the economics of superstars: Rosen, S. (1981), "The Economics of Superstars", *American Economic Review* 71: 845-58; Adler, M. (1985), "Stardom and Talent", *American Economic Review* 75: 208-12.

In 1989, Bruno Frey and Werner Pommerehne suggested eight criteria for identifying an artist[19]: (i) the amount of time spent on artistic work, (ii) the amount of income derived from artistic activities, (iii) the reputation as an artist among the general public, (iv) recognition among other artists, (v) the quality of artistic work produced, (vi) membership of a professional body, (vii) a professional qualification in the arts, and (viii) a subjective self-evaluation as an artist. In practice, the definition of the relevant population of artists often has been constrained by the available samples.

> (a) Government statistics usually use an *occupational group* approach. For example, under the Annual Survey of Hours and Earnings (ASHE), an employee falls under class 3411 (artists) or class 3412 (authors, writers) if the employer says so.
> (b) Questionnaire surveys often rely on the *membership of particular professional bodies*, such as the Society of Authors.
> (c) On-line surveys typically are circulated within professional networks, and depend on the participation of respondents who *aspire to be artists*.
> (d) Being a *recipient of payments from a copyright collecting society* is yet another criterion.

If, as it already has become clear, most cultural workers cannot live from their artistic earnings, perhaps the relevant population should be reduced to those artists in each discipline who can live, or at least aim to live from their principal artistic activity. This may be expressed by a threshold amount of creative earnings, or by a threshold amount of time allocated to creative activity. Perhaps, copyright law is only designed for best-sellers.

At the other end of the conceptual spectrum, the literature on the creative industries tends to overstate the size of cultural sector (including administrative, technical, managerial and retail workers). For example, the EU assumes from consolidated national data that about 4,164,300 workers (or 2.5% of the total workforce) are occupied in the cultural sector. In the UK

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[19] B.S. Frey and W.W. Pommerehne (1989), *Muses and Markets: Explorations in the Economics of the Arts*, Oxford: Blackwell (p. 47).

alone, the relevant figures are 877,100 workers (or 3.2% of the total workforce).[20]

From a third perspective, the relevant population where copyright law should matter is constituted by all *potential* cultural workers from whose increased activity society would benefit.

There are only a small number of pioneering studies that have attempted to capture the professional earnings profile of specific groups of creators. The population of all the studies discussed rely on an element of sustained practice, typically expressed by membership of a professional organisation.

Austrian composers report (1993)

A questionnaire survey of 630 Austrian composers by a group of sociologists from the Vienna Hochschule für Musik und Darstellende Kunst (now Musikuniversität), arrived at the following income profiles.[21]

Table 5.3: Income from compositions as percentage of total income

Below 10%:	36.8%
10-20%:	31.2%
21-49%:	14.1%
50% and more:	17.8%

[20] Eurostat, press release 68/2004 of 26/05/2004 (table 13 in M. Söndermann, 2004, *Kulturberufe*, Bonn: Beauftragter der Bundesregierung für Kultur und Medien).
[21] The sample was taken from a professional body. 283 returns were received, with an average respondent age of 37 years: Smudits, A., I. Bontinck, D. Mark, E. Osterleitner (1993), *Komponistenreport*, Wien: WUV Universitätsverlag

Table 5.4: Composers received also income from

Other musical activity (performance & teaching):	82.0%
non-music professional activity:	25.6%
Family members:	18.2%
Social security benefits:	3.9%
investment income:	1.1%
Other sources:	3.5%

Australia Council study of practising professional artists (2003)

Over a period of 20 years, David Throsby has conducted a number of studies on the economic circumstances of Australian artists. The latest report was published in 2003, on the basis of a 2002 interview survey of 1063 writers, visual artists, craft practitioners, actors, directors, dancers, choreographers, and "community cultural development workers" (of a total estimated population of 45,000 Australian professional artists, defined as those "who operate at a level and standard of work and with a degree of commitment appropriate to the norms of professional practice within their artform").[22]

Throsby and Hollister find that on average, artists tend to be older than the general workforce or the total population. They attribute this to the time it takes for an artist to become established and careers beyond the normal retiring age. The average (mean) age of artists is about 46 years. Writers and composers are the oldest groups on average, with a mean age of 49; dancers make up the youngest group with a mean age of 31. 63% of those surveyed had more than one job, 56% had two jobs, and 7% had three.

[22] D. Throsby and V. Hollister (2003), *Don't Give Up Your Day Job: An economic study of professional artists in Australia*, Sydney: Australia Council (available at http://www.ozco.gov.au/arts_resources/publications/dont_give_up_your_day_job_report)

Table 5.5: Australian artists' sources of creative income (per cent)

	Writers	Visual artists	Craft practitioners	Actors	Dancers	Musicians	Composers	Community cultural development workers	All artists
Salaries, wages, fees	55	34	21	94	90	95	38	78	63
Gross sales of work, incl. commissions	13	54	68	3	1	2	25	12	22
Royalties, advances	18	2	2	2	1	1	22	–	6
Other copyright earnings	*	*	–	*	1	1	1	–	*
Grants, prizes, fellowships	5	10	7	1	7	1	11	6	6
Public lending right	4	*	–	–	–	*	–	–	1
Educational lending right	5	*	–	–	–	*	–	–	1
Other creative source	*	*	2	–	–	*	3	4	1
TOTAL	100	100	100	100	100	100	100	100	100

Source: Throsby and Hollister (2003), p. 103 (* indicates less than 1%; – indicates nil)

Half of the artists in the survey had a (median) creative income of less than $7,300 (Australian dollars; financial year 2001-02). The familiar distribution of artists' creative incomes with many low incomes and few high incomes resulted in a (mean) creative income of just over $17,000. The median income from all income sources was less than $30,000, compared to $43,700 for full and part-time ("main job") employees classified as "professional", and $54,500 for occupations classified as "managerial/administrative".

Pew study American artists, musicians and the Internet (2004)

A study conducted in 2004 by the Pew Internet & American Life Project tried to capture 'how artists and musicians use the internet, what they think about copyright issues, and how they feel about online file-sharing'.[23] The study focuses on artists' attitudes and does not provide systematic

[23] *Artists, Musicians and the Internet* (researcher Mary Madden), Washington, DC, 2004 (p. ii)

data on the relative weight of copyright and non-copyright earnings. However, among three instruments, the study includes a web survey of 2,755 self-declared musicians that divides the sample into four useful profile groups:

> (1) Success Stories (musicians who spend 30 or more hours per week in music-related activities, drawing 80 per cent or more of their income);
>
> (2) Starving Musicians (also spending 30 or more hours per week but earning less than 20 per cent of their total income from music);
>
> (3) Part-timers (spending less than 30 hours per week but earning some income from music); and
>
> (4) Non-working Musicians (currently inactive, including aspiring and formerly active musicians not earning money from music).

The number of PEW respondents falling into these respective groups were: Success Stories: 296; Starving Musicans: 1,021; Part-timers: 578; Non-working Musicians: 851. 78% of respondents had a second job, while 41% earned less than 20% of their income from music-related activities.

Study of self-employed German authors and artists (2006)

A very recent study of self-employed artists in Germany uses a conceptual approach developed in the entrepreneurship literature. Artists are treated as micro-entrepreneurs who, typically, do not separate business and household finances.

Three categories of self-employment are distinguished: (i) main self-employed occupation – defined as the activity with the highest income; (ii) additional self-employed occupation – defined as the only activity of artists who are not otherwise part of the workforce (e.g. students, pensioners,

housewives/husbands); (iii) part-time additional self-employment (i.e. as a second job).

A questionnaire survey of 5,745 self-employed artists on the database of the media union (*ver.di* – sector art and culture) finds that for 66%, artistic self-employment is the main occupation. The figures for respondents in four occupational groups are presented in the table below.[24]

Table 5.6: Artistic self-employment as main, additional or part-time occupation

Occupational group	main occupation		additional occupation		part-time (2nd job)	
	number	%	Number	%	number	%
Music	70	70.7	14	14.1	15	15.2
Literature	92	65.2	20	14.2	29	10.6
Visual arts	79	65.3	18	14.9	24	19.8
Performing arts	36	64.3	11	19.6	9	16.1
Total	277	66.4	63	15.1	77	18.5

The contribution of self-employed artistic earnings to total household earnings from all sources (including partner's income) is given as 42% (literature), 42% (visual arts), 53% (music) and 67% (performing arts).[25] Between 70% and 80% of respondents had previously been in employed occupations, and more than 50% of respondents had continued their employed and/or pre-artistic occupation at least for a time. For 40-60% of artists, there have been prolonged periods when self-employed creative activity had been interrupted (sometimes for years). Both figures can be explained to a large extent by a need to balance the household income.

[24] Dangel, C., M.-B. Piorkowsky and Th. Stamm (2006), *Selbstständige Künstlerinnen und Künstler in Deutschland – zwischen brotloser Kunst and freiem Unternehmertum?,* Bonn: Deutscher Kulturrat, p. 17
[25] ibid. at 75

Summary 2: The picture that emerges in this sub-section from the previous empirical studies of artists' occupational profiles reveals risky, often stuttering careers. Earnings from non-copyright, and even non-artistic activities are an important source of income for most creators. Many more creators attempt to embark on artistic careers than are able to sustain them. The decision to "start-up" as an artistic enterprise appears to follow a deliberate process of risk-taking.

6. Survey Methodology

6.1 Questionnaire design and coding

A key lesson from earlier studies was the importance of capturing copyright earnings in the context of non-copyright income, in particular earnings from other activities, and earnings contributed by a partner.

The first question of the questionnaire was a self-definition prompt that encouraged respondents to identify their profession as they saw it, and if in doubt allocate percentages to the time spent in different professions. (See questionnaires attached at the end of this report).

Eight professional categories were then created to code all respondents: Authors, academics, teachers, audio-visual writers, journalists, translators/linguists, other professionals and retired.

Coding by (i) profession, (ii) genre/media and (iii) contribution to total individual earnings allowed us to define sub-samples that could be used for cross-country and cross-profession comparisons.

6.2 Response rates and reliability

In the UK, the questionnaires were posted with the 2006 ALCS Spring Newsletter to 19,500 ordinary members. In Germany, we were unable to gain access to VG Wort's equivalent list of members. We therefore cooperated with two professional bodies: *Verband deutscher Schriftsteller*

VS (5,000 members: similar in profile to the membership of the UK *Society of Authors*) and the screenwriters' professional body *Verband der Drehbuchautoren* VDD (450 members: similar in profile to the *Writers' Guild of Great Britain*). The German questionnaires were posted in March 2006 with the magazine Kunst & Kultur (VS members) and with the VDD newsletter.

Only returns received by 30 June 2006 were processed. A total of 1,345 questionnaires were returned by writers in the UK and 242 by writers in Germany. Of these, 1,334 UK questionnaires and all 242 German questionnaires contained useful information. These represent overall response rates of 6.8% and 4.5% in the UK and Germany respectively, although the response rates to individual questions varied considerably. These sample sizes are satisfactory for statistical analysis – indeed, they are not very different from the sample sizes commonly used in market research and pre-election opinion polls, where errors of no more than 4 or 5 percentage points are expected. However, since not all respondents answered every question included in our questionnaire, the number of valid responses in some cases is well below the 1,334 UK total responses and the 242 German total responses.

To determine the reliability of the estimated means, therefore, we have in each case computed the 'coefficient of variation of the estimate' by calculating the standard error of the mean (i.e. the standard deviation divided by the square root of the sample size) as a proportion of the estimate. Where this statistic exceeds 20 per cent, sample means are marked with an Asterisk (*) to indicate that they may be unreliable as estimates of the true population means because the number of valid responses is small relative to the coefficient of variation. This is a technique used by the Office for National Statistics to indicate possibly unreliable estimates in national economic and social statistics.

We were able to cross reference the German data with a specially commissioned analysis of tax data by the federal statistics office *Statistisches Bundesamt*. It shows that in 2001 (the latest year for which tax data was available), 20,072 German authors had taxable income from self-employed writings, and for 9,015 authors, income from writing accounted for more than 50% of their self-employed income. The mean and median of these declared earnings confirm that our German sample represents a different constituency than the UK sample. Roughly, the German respondents are to a larger extent professional writers. This is also borne out by the different professional profiles our two surveys picked up (see below: characteristics of respondents).

For cross-country comparison, we therefore defined various sub-samples, including:

- *Professional authors* are those who allocate more than 50% of their perceived *time* to being an author
- *Main-income authors* are those who earn at least 50% of their total individual *income* from writing
- *Audio-visual authors* are those who mainly work in TV, Film, Radio and Internet media

For Germany, the income differences between the full (professional body) sample, and the sub-sample of professional writers (who allocate at least 50% of their time of writing) is very small. In fact, the median is identical for both samples. For cross-country comparisons, we therefore favour using the full German sample against the UK professional writer sample, in order to increase the validity of the analysis of small numbers of responses to some questions.

6.3 Characteristics of respondents

Table 6.1 *Gender*

Gender	*UK*		*Germany*	
	Number	*%*	*Number*	*%*
Male	769	64.1	137	58.3
Female	430	35.9	98	41.7
Valid responses	**1199**	**100**	**235**	**100**

Table 6.2 *Age profile*

Age group	*UK*		*Germany*	
	Number	*%*	*Number*	*%*
Under 25	1	0.1	0	0
25 - 34	25	1.9	13	5.6
35-44	105	8.1	54	22.8
45-54	287	22.0	69	29.1
55-64	446	34.2	54	22.8
65 and over	440	33.7	47	19.8
Valid responses	**1304**	**100**	**237**	**100**

Table 6.3 *Size of households*

Size of household	*UK*		*Germany*	
	Number	*%*	*Number*	*%*
1	288	22.4	71	32.9
2	676	52.6	91	42.1
3	143	11.1	29	13.4
4	130	10.1	21	9.7
5	38	3.0	4	1.9
6	7	0.5	0	0
7 and over	4	0.3	0	0
Valid responses	**1286**	**100**	**216**	**100**

Figure 6.1 *Main professions of the UK respondents (1,334 valid responses)*

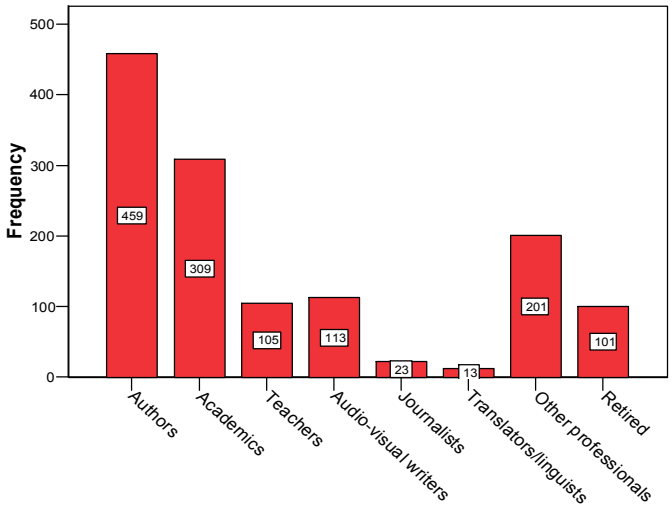


Figure 6.2 *Main professions of the German respondents (239 valid responses)*

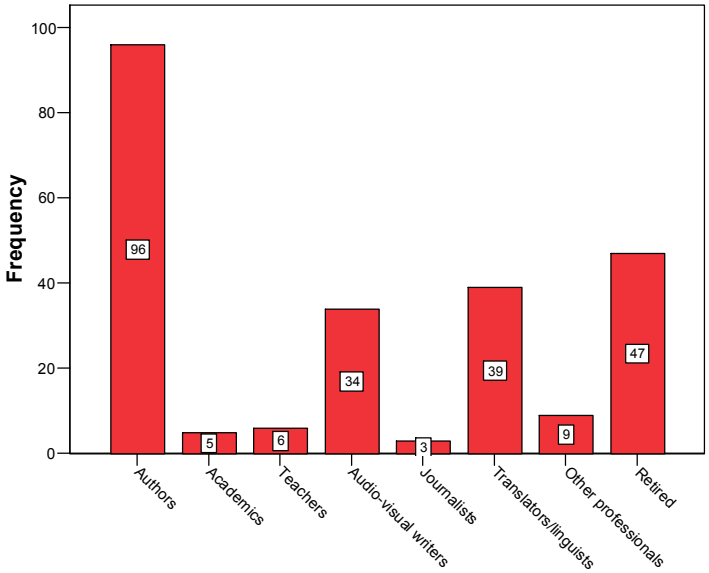


Table 6.4 *Average number of years spent as professional writers*

	Number of years spent as self-employed writers	
	UK	*Germany*
Mean	16.3	15.8
Median	14.0	14.0
Standard deviation	11.7	11.1

Figure 6.3 *Main genres of the UK respondents*

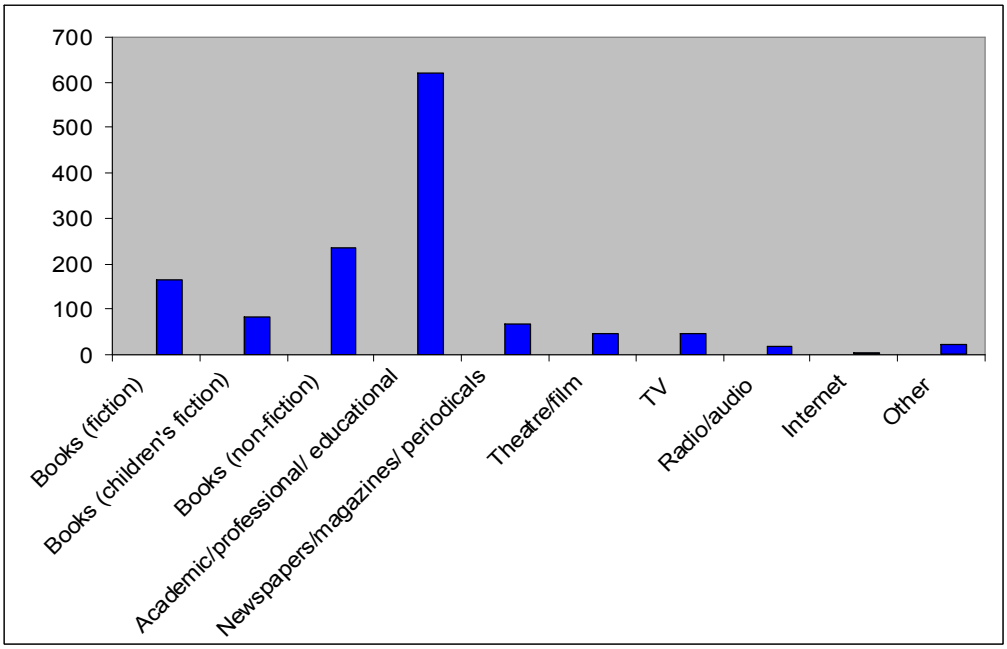


Figure 6.4 *Main genres of the German respondents*

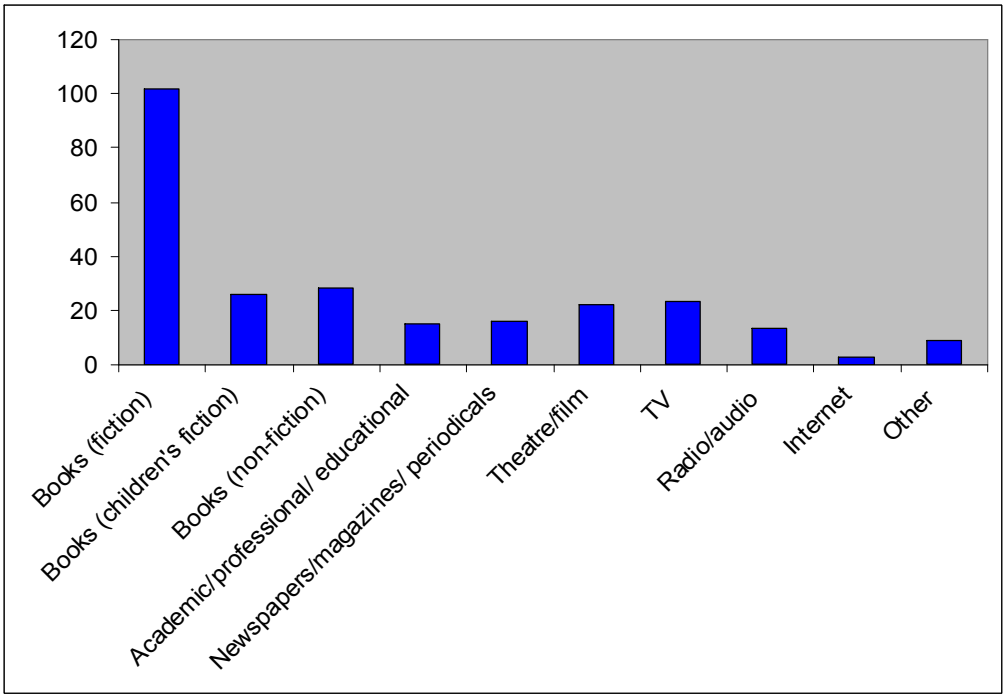


Table 6.5 *Membership of professional associations by UK respondents*

Professional associations	*Number*	*% of sample*	*Mean length of membership (years)*
Society of Authors	*541*	*40.6*	*12.3*
Writers' Guild	*90*	*6.7*	*14.7*
Others	*393*	*29.5*	*21.2*

Table 6.6 *Membership of professional associations by German respondents*

Professional Associations	*Number*	*% of sample*	*Mean length of membership (years)*
VG Wort	*142*	*58.7*	*N/A*
VG Wort-group fiction and drama ("schöngeistig")	*153*	*63.2*	*N/A*
VG Wort-group journalists and non-fiction	*56*	*23.1*	*N/A*
VG Wort-group academic/professional	*36*	*14.9*	*N/A*
VS	*158*	*65.3*	*N/A*
Ver Di (media union)	*30*	*12.4*	*N/A*
VDD (screenwriters)	*31*	*12.8*	*N/A*
Others	*63*	*26.0*	*N/A*

Table 6.7 *Location of UK respondents*

Location	*% of sample*
London	*21.2*
East and South-East England	*30.4*
South and South-West England	*13.5*
Midlands	*3.8*
Northern England	*17.5*
Scotland	*5.8*
Wales	*3.3*
Northern Ireland	*0.3*
Non-UK	*4.2*
TOTAL	*100.0*

Table 6.8 *Location of German respondents*

Zip Code	*% of sample*
0 (Dresden, Leipzig)	*4.3*
1 (Berlin)	*21.0*
2 (Hamburg, Bremen)	*11.2*
3 (Hannover)	*6.0*
4 (Düsseldorf)	*6.0*
5 (Köln)	*10.3*
6 (Frankfurt)	*8.2*
7 (Stuttgart)	*6.9*
8 (München)	*16.7*
9 (Nürnberg)	*4.7*
Switzerland	*3.4*
Austria	*1.3*
TOTAL	*100.0*

7. UK Earnings Data[1]

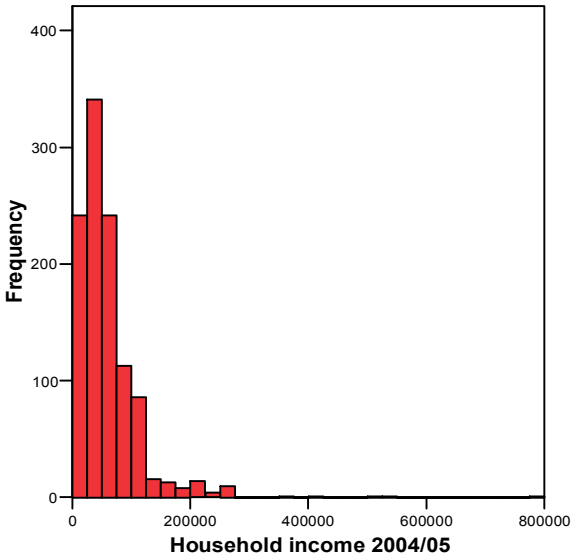
7.1 Full sample

Table 7.1 UK TOTAL HOUSEHOLD INCOME (FULL SAMPLE), 2004-5

	All	*Male*	*Female*
Valid responses	1,094	664	330
Mean (£)	57,691	60,850	53,230
Median (£)	45,000	49,000	40,000
Coefficient of Variation (%)*	94.5	96.0	92.3
GINI COEFFICIENT	**0.41**		

*The coefficient of variation is a measure of relative dispersion, calculated by expressing the standard deviation as a percentage of the mean. In all tables, means marked with an asterisk may be unreliable as estimates of the true population means because of the small number of valid responses relative to the coefficient of variation.

[1] The tables in Chapters 7 and 8 are marked in matching numbers, for ease of reference. Thus, UK table 7.37 (Household income audio-visual authors 2004-5) corresponds to German table 8.37 (Household income audio-visual authors 2005). This system required omitting some successive numbers, as for example there is no corresponding German category to the UK public lending right (in Germany, PLR income is processed by VG Wort, see Chapter 4.4).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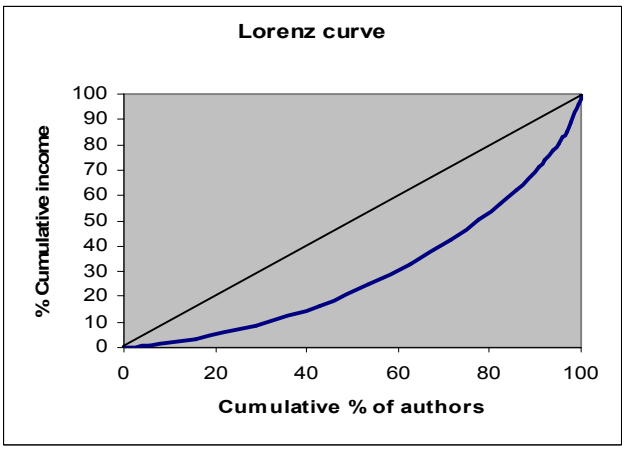
Household income 2004/05


Lorenz curve
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60
50
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30
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10
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% Cumulative income
0
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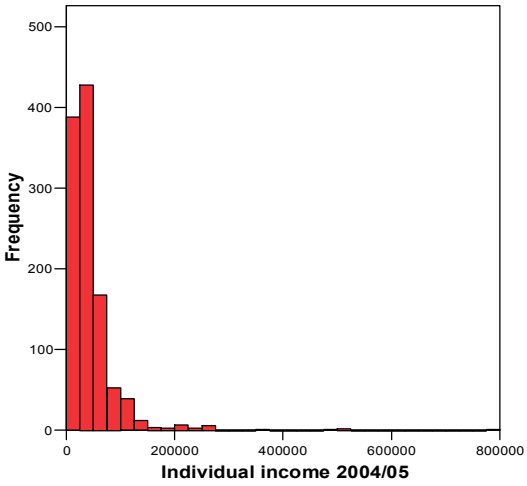
80
100
Cumulative % of authors

Table 7.2 UK TOTAL INDIVIDUAL INCOME (FULL SAMPLE), 2004-5

	All	*Male*	*Female*
Valid responses	1,116	664	351
Mean (£)	42,825	47,874	34,131
Median (£)	32,683	36,576	25,000
Coefficient of Variation (%)	115.6	112.0	127.1
GINI COEFFICIENT	**0.41**		



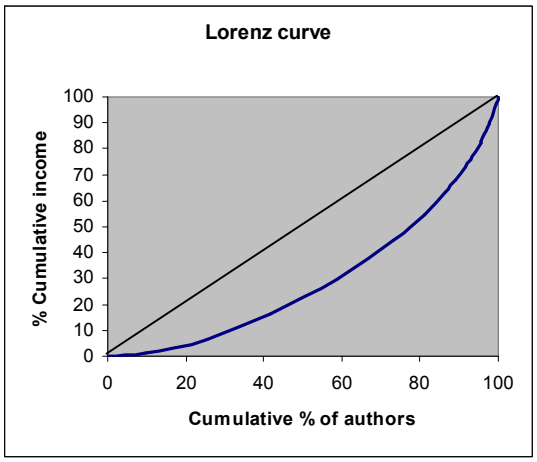
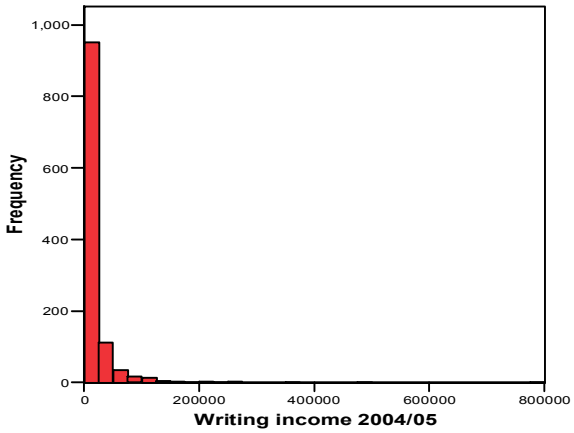


Table 7.3 UK TOTAL WRITING INCOME (FULL SAMPLE), 2004-5

	All	*Male*	*Female*
Valid responses	1,153	683	362
Mean (£)	16,531	17,556	15,850
Median (£)	4,000	4,000	4,000
Coefficient of Variation (%)	258.9	272.9	232.4
GINI COEFFICIENT	**0.74**		



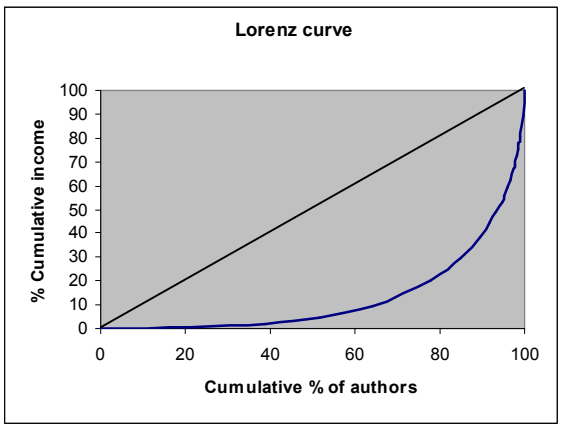
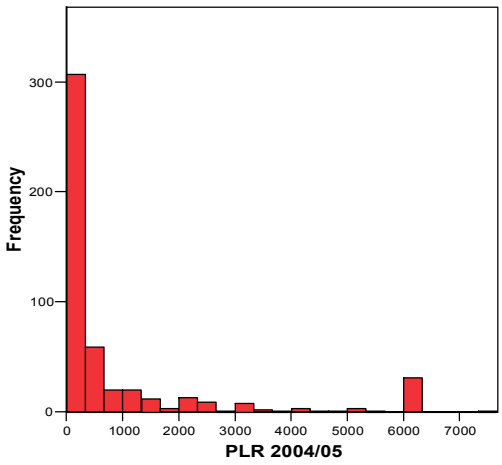


Table 7.4 UK TOTAL PLR INCOME (FULL SAMPLE), 2004-5

	All	*Male*	*Female*
Valid responses	496	265	178
Mean (£)	893	665	1,306
Median (£)	200	154	254
Coefficient of Variation (%)	182.0	200.0	153.1
GINI COEFFICIENT	**0.73**		



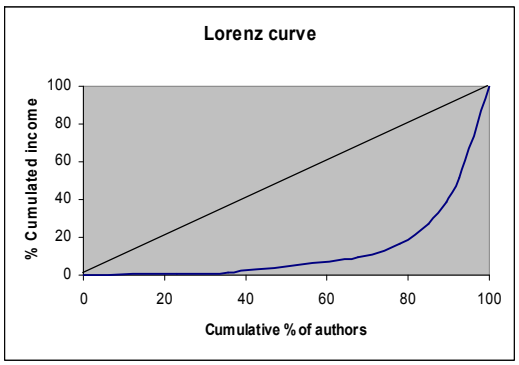
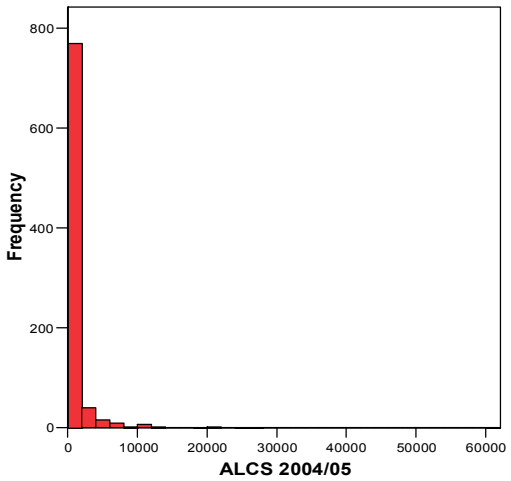


Table 7.5 UK TOTAL ALCS INCOME (FULL SAMPLE), 2004-5

	All	*Male*	*Female*
Valid responses	852	526	246
Mean (£)	892	976	778
Median (£)	200	200	134
Coefficient of Variation (%)	343.5	367.7	270.7
GINI COEFFICIENT	**0.73**		



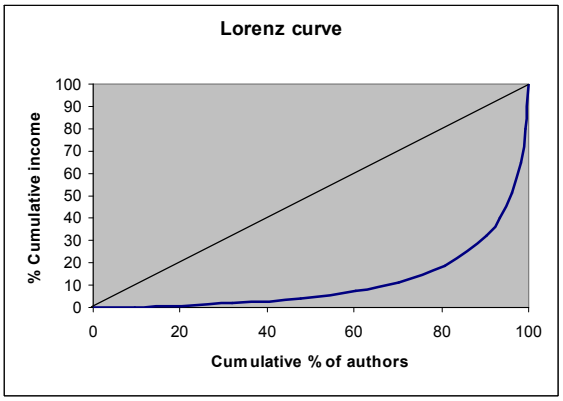
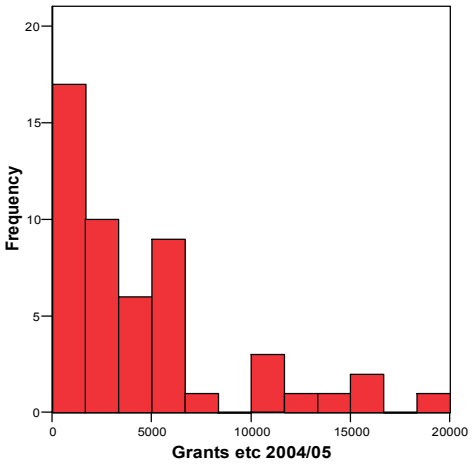


Table 7.6 UK TOTAL GRANTS INCOME (FULL SAMPLE), 2004-5

	All	*Male*	*Female*
Valid responses	51	15	29
Mean (£)	4,365	3,791*	3,953
Median (£)	3,000	3,000	2,000
Coefficient of Variation (%)	101.6	96.0	95.3
GINI COEFFICIENT	**0.48**		



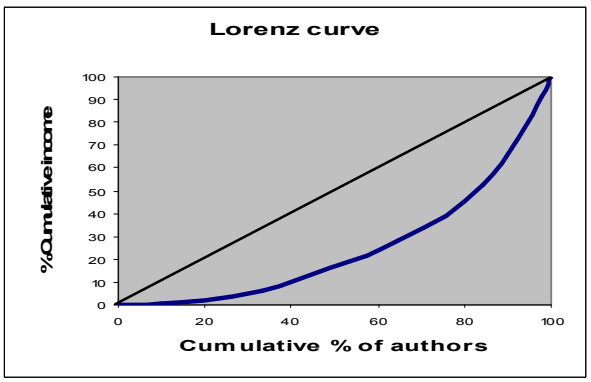
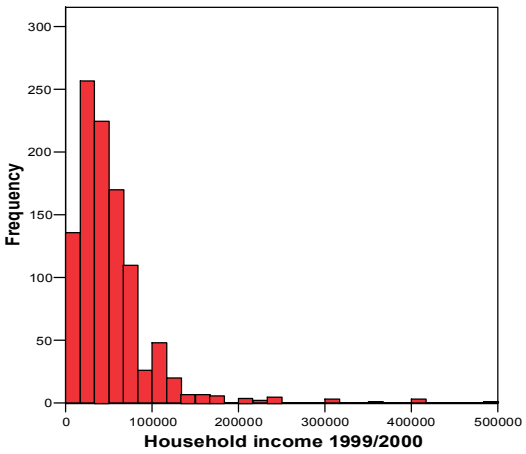


Table 7.7 UK TOTAL HOUSEHOLD INCOME (FULL SAMPLE), 1999-2000

	All	*Male*	*Female*
Valid responses	1,031	629	314
Mean (£)	51,266	53,688	47,567
Median (£)	40,000	40000	37,000
Coefficient of Variation (%)	90.0	86.3	94.2
GINI COEFFICIENT	**0.40**		



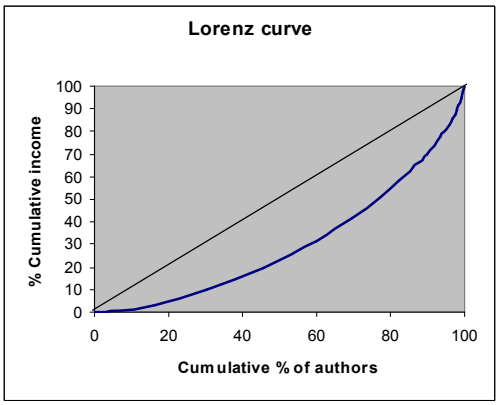
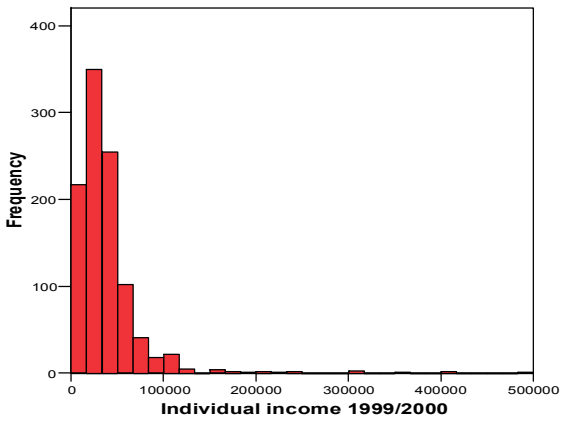


Table 7.8 UK TOTAL INDIVIDUAL INCOME (FULL SAMPLE), 1999-2000

	All	*Male*	*Female*
Valid responses	1,029	620	323
Mean (£)	37,769	42,853	28,445
Median (£)	30,000	35,000	25,000
Coefficient of Variation (%)	104.2	97.7	106.9
GINI COEFFICIENT	**0.40**		



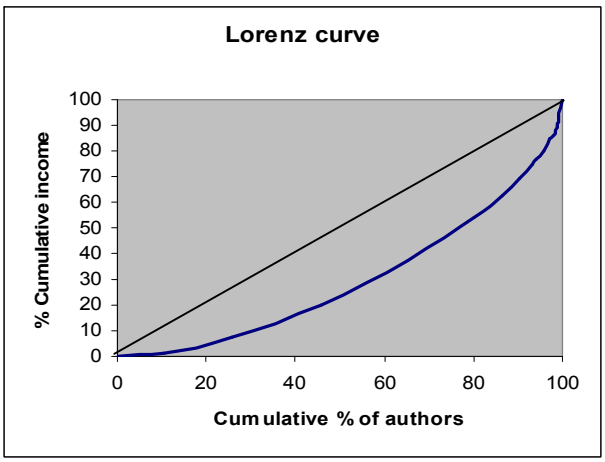
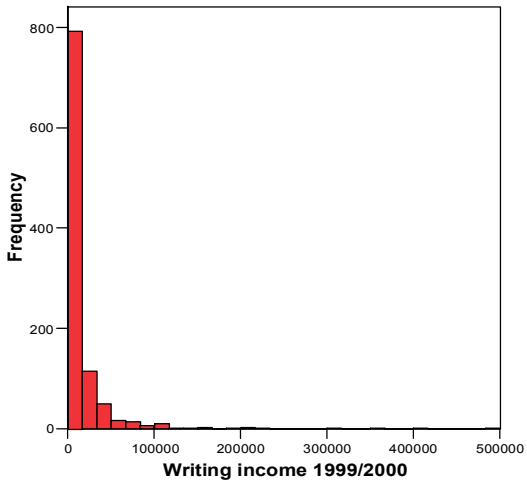


Table 7.9 UK TOTAL WRITING INCOME (FULL SAMPLE), 1999-2000

	All	*Male*	*Female*
Valid responses	1,021	612	317
Mean (£)	14,361	15,453	13,019
Median (£)	4,000	4,000	4,000
Coefficient of Variation (%)	238.1	245.0	220.6
GINI COEFFICIENT	**0.72**		



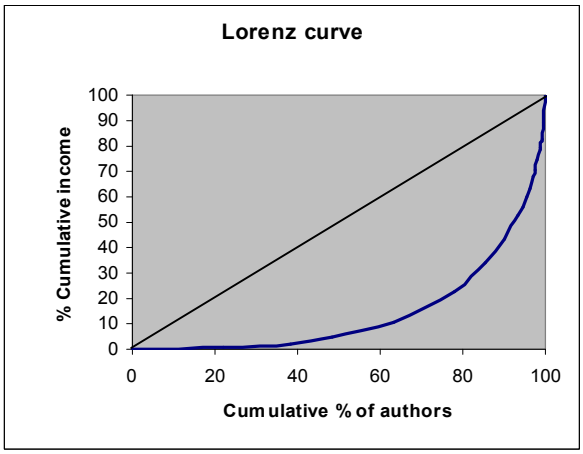
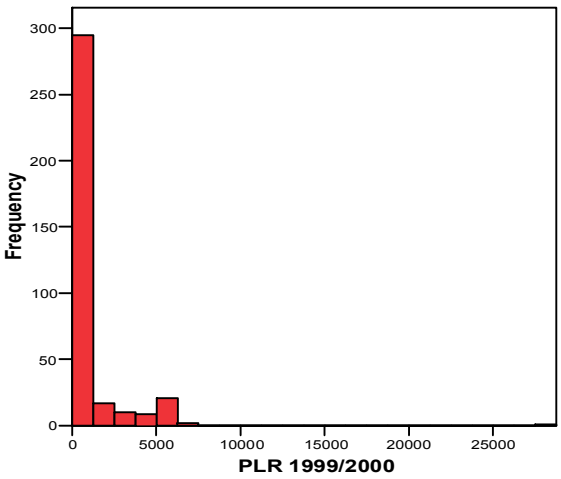


Table 7.10 UK TOTAL PLR INCOME (FULL SAMPLE), 1999-2000

	All	*Male*	*Female*
Valid responses	355	200	118
Mean (£)	929	808	1,224
Median (£)	152	145	195
Coefficient of Variation (%)	230.8	292.3	160.3
GINI COEFFICIENT	**0.76**		



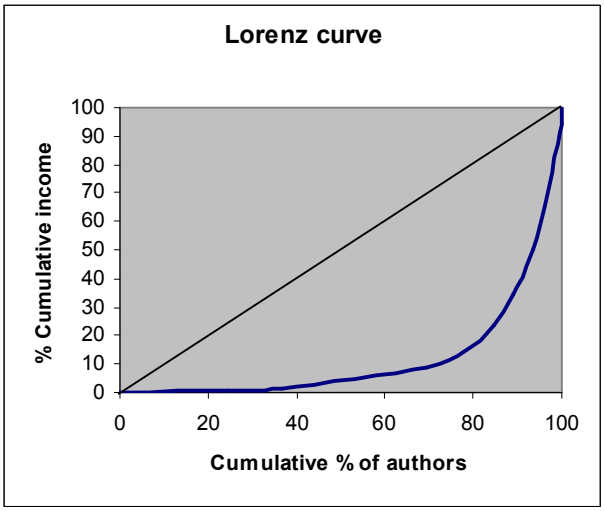
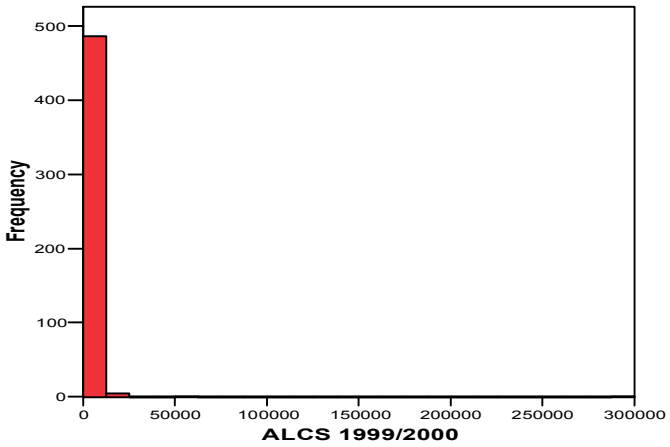


Table 7.11 UK TOTAL ALCS INCOME (FULL SAMPLE), 1999-2000

	All	*Male*	*Female*
Valid responses	494	320	127
Mean (£)	1,504*	1,867*	773*
Median (£)	100	135	100
Coefficient of Variation (%)	921.8	917.1	295.9
GINI COEFFICIENT	**0.89**		



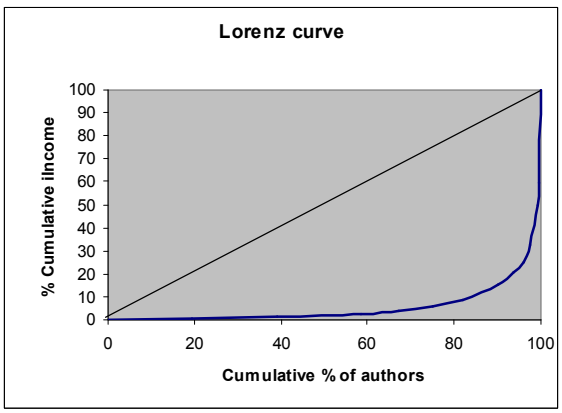
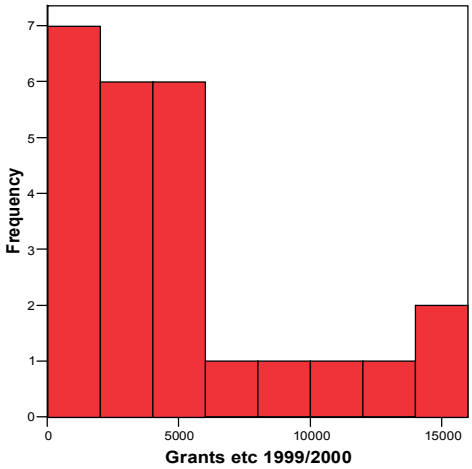
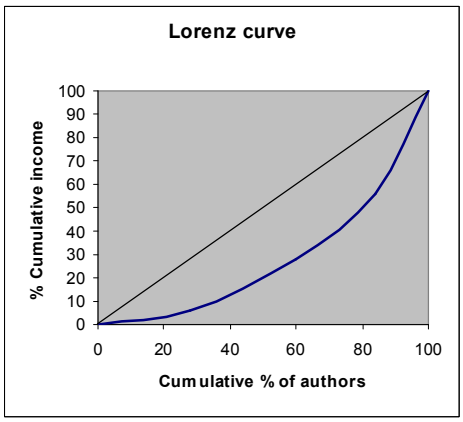


Table 7.12 UK TOTAL GRANTS INCOME (FULL SAMPLE), 1999-2000

	All	*Male*	*Female*
Valid responses	25	10	10
Mean (£)	4,842	3,500*	5,404*
Median (£)	3,998	3,000	4,499
Coefficient of Variation (%)	88.4	95.7	84.1
GINI COEFFICIENT	**0.42**		

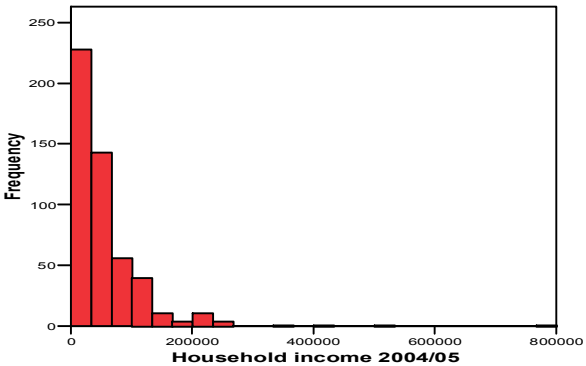


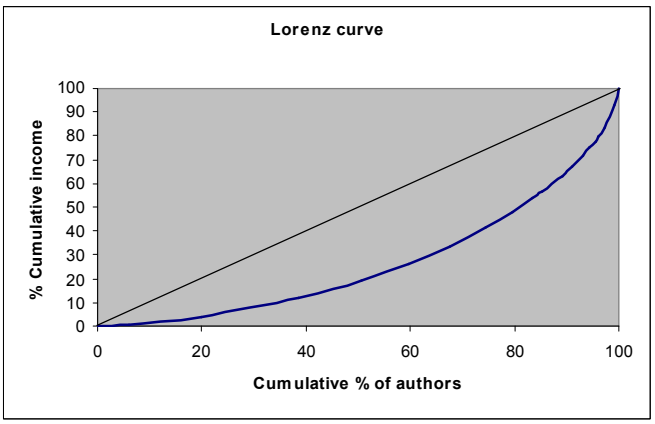


7.2 Professional authors

Table 7.13 UK TOTAL HOUSEHOLD INCOME (PROFESSIONAL AUTHORS*), 2004-5

	All	*Male*	*Female*
Valid responses	501	274	182
Mean (£)	55,620	58,630	52,734
Median (£)	37,000	40,000	34,100
Coefficient of Variation (%)	115.1	121.3	104.8
GINI COEFFICIENT	**0.47**		

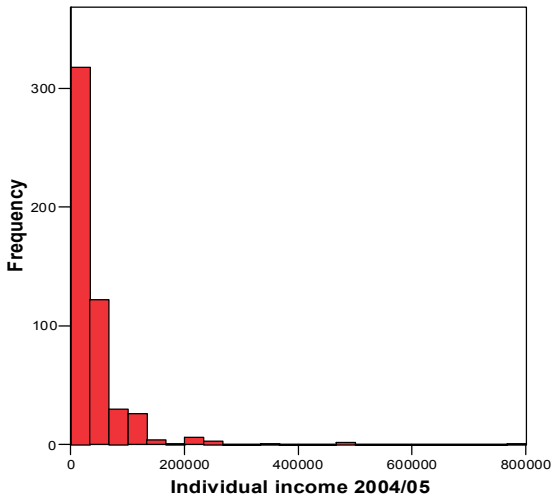




*Professional authors are those who have been coded as authors, audio-visual authors, journalists or translators/linguists because they allocate more than 50% of their time to one of these professions. Of our eight categories, this excludes those writers who describe themselves primarily as academics, teachers, other professionals or retired.

Table 7.14 UK TOTAL INDIVIDUAL INCOME (PROFESSIONAL AUTHORS), 2004-5

	All	*Male*	*Female*
Valid responses	514	271	196
Mean (£)	41,017	46,413	34,301
Median (£)	25,337	30,000	20,397
Coefficient of Variation (%)	146.4	144.7	154.3
GINI COEFFICIENT	**0.51**		



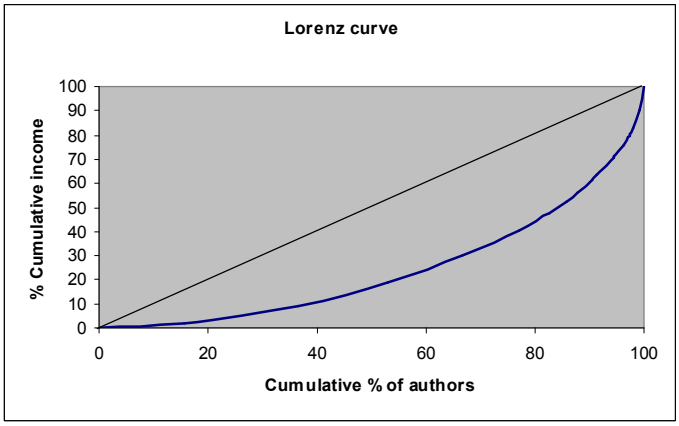
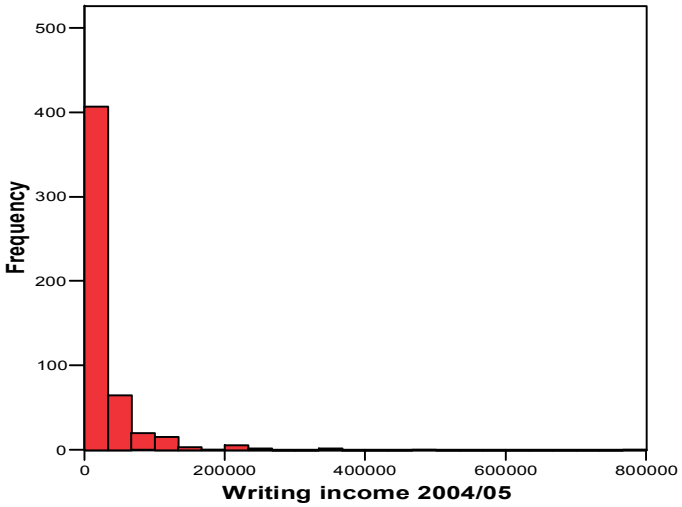


Table 7.15 UK TOTAL WRITING INCOME (PROFESSIONAL AUTHORS), 2004-5

	All	*Male*	*Female*
Valid responses	525	277	202
Mean (£)	28,340	32,021	24,823
Median (£)	12,330	14,000	10,614
Coefficient of Variation (%)	204.9	212.8	187.7
GINI COEFFICIENT	0.63		



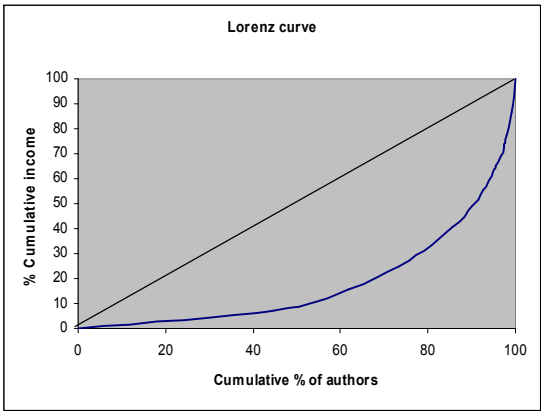
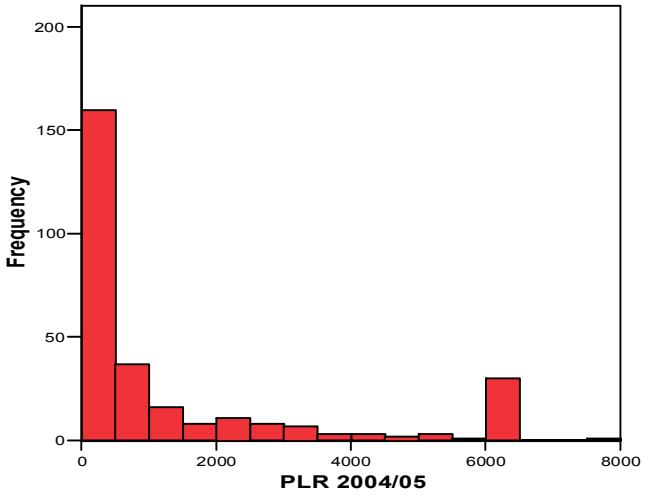


Table 7.16 UK TOTAL PLR INCOME (PROFESSIONAL AUTHORS), 2004-5

	All	*Male*	*Female*
Valid responses	290	138	125
Mean (£)	1,333	1,030	1,737
Median (£)	376	269	500
Coefficient of Variation (%)	146.4	167.0	125.5
GINI COEFFICIENT	**0.67**		



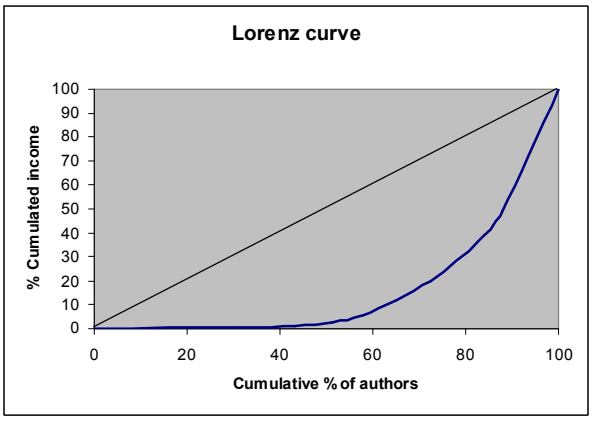
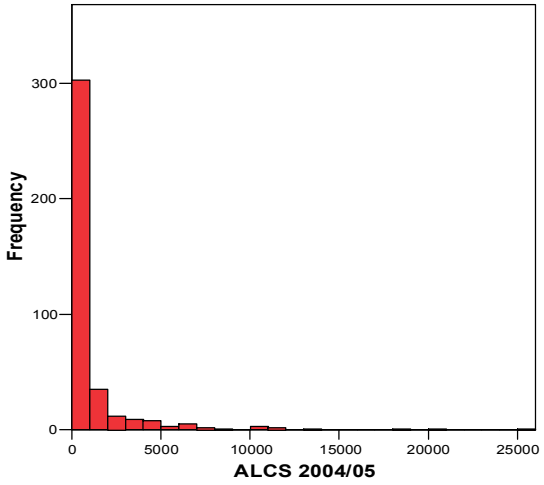


Table 7.17 UK TOTAL ALCS INCOME (PROFESSIONAL AUTHORS), 2004-5

	All	*Male*	*Female*
Valid responses	387	210	139
Mean (£)	984	1,116	870*
Median (£)	160	200	120
Coefficient of Variation (%)	261.6	258.7	265.7
GINI COEFFICIENT	**0.78**		



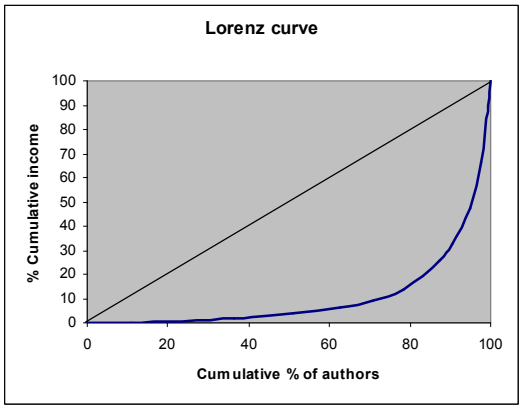
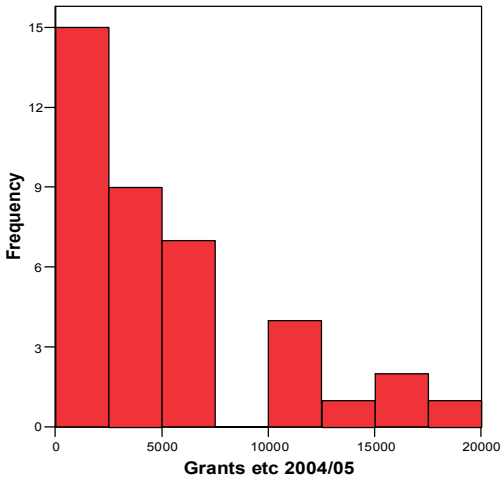


Table 7.18 UK TOTAL GRANTS INCOME (PROFESSIONAL AUTHORS), 2004-5

	All	*Male*	*Female*
Valid responses	39	11	21
Mean (£)	4,960	4,406*	4,471*
Median (£)	3,450	3,450	2,300
Coefficient of Variation (%)	97.2	90.1	93.3
GINI COEFFICIENT	**0.49**		



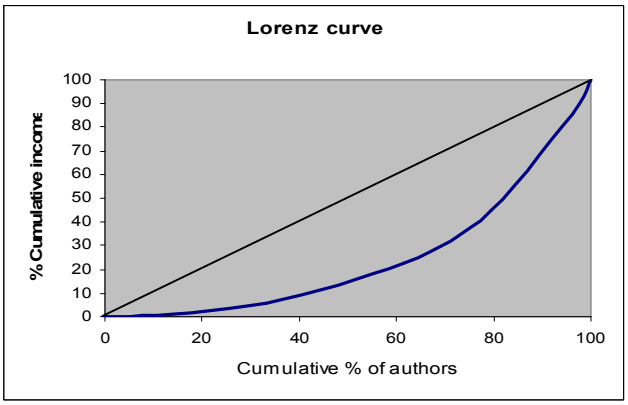
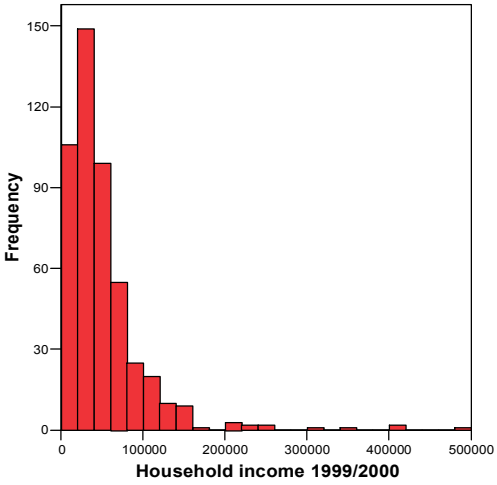


Table 7.19 UK TOTAL HOUSEHOLD INCOME (PROFESSIONAL AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	486	267	177
Mean (£)	49,073	52,218	44,858
Median (£)	36,000	40,000	32,000
Coefficient of Variation (%)	105.5	103.9	98.2
GINI COEFFICIENT	**0.44**		



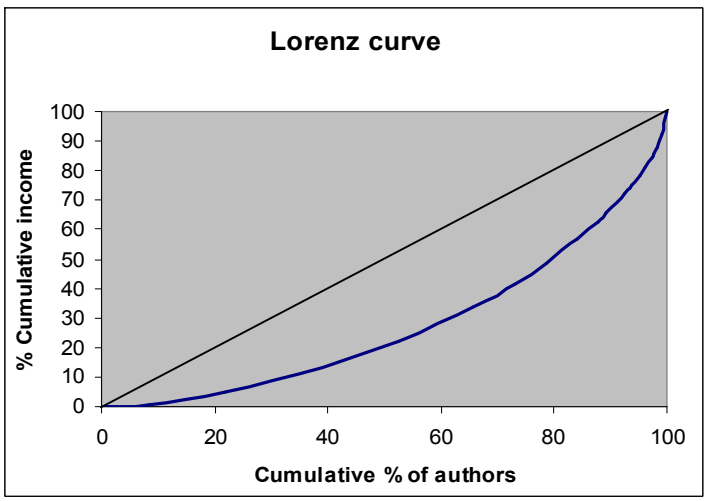
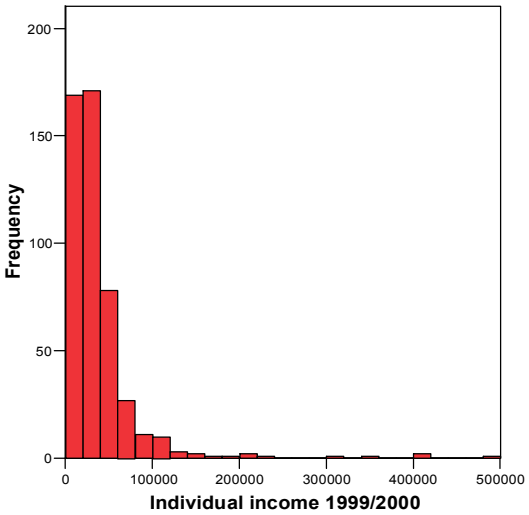


Table 7.20 UK TOTAL INDIVIDUAL INCOME (PROFESSIONAL AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	481	258	182
Mean (£)	36,062	43,272	26,246
Median (£)	25,000	31,000	19,850
Coefficient of Variation (%)	130.9	119.5	127.8
GINI COEFFICIENT	**0.47**		



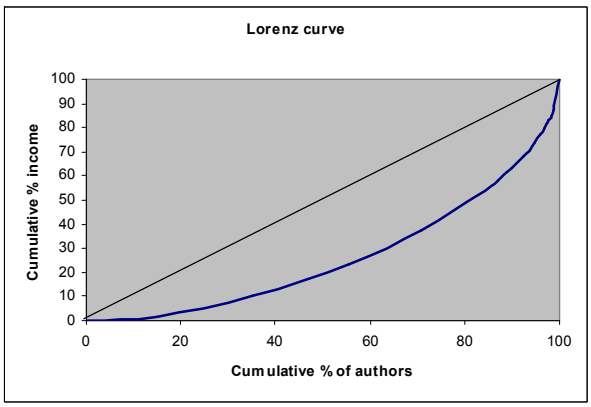
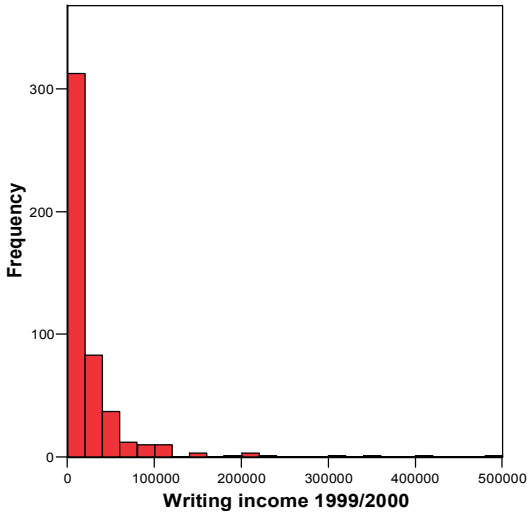


Table 7.21 UK TOTAL WRITING INCOME (PROFESSIONAL AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	477	256	181
Mean (£)	24,142	29,006	18,162
Median (£)	10,000	13,137	9,000
Coefficient of Variation (%)	191.7	186.9	188.0
GINI COEFFICIENT	**0.61**		



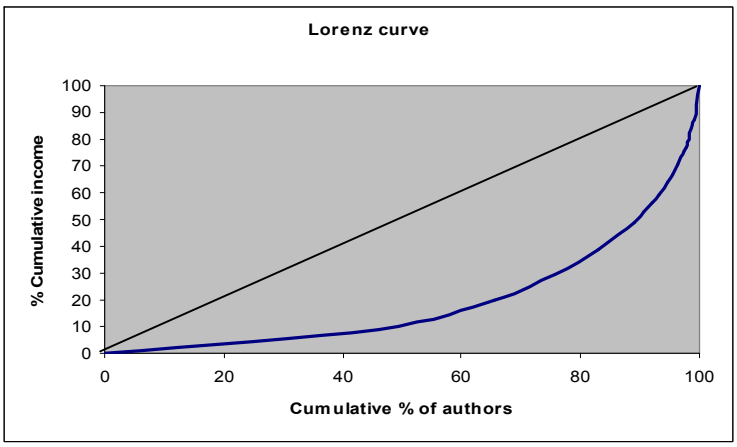
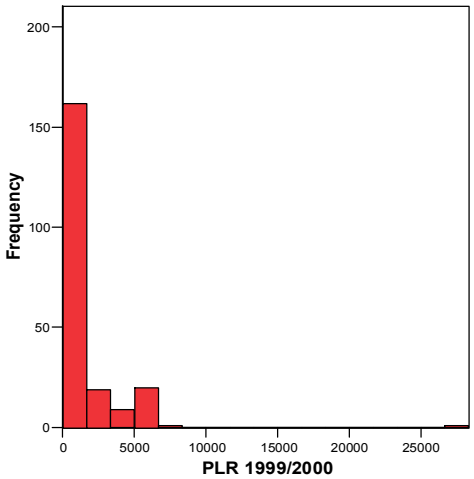


Table 7.22 UK TOTAL PLR INCOME (PROFESSIONAL AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	212	105	89
Mean (£)	1,348	1,243*	1,501
Median (£)	300	300	400
Coefficient of Variation (%)	193.5	250.1	139.8
GINI COEFFICIENT	**0.68**		



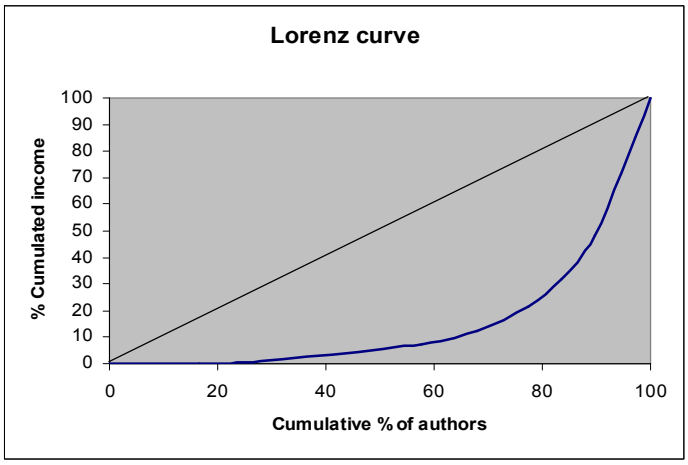
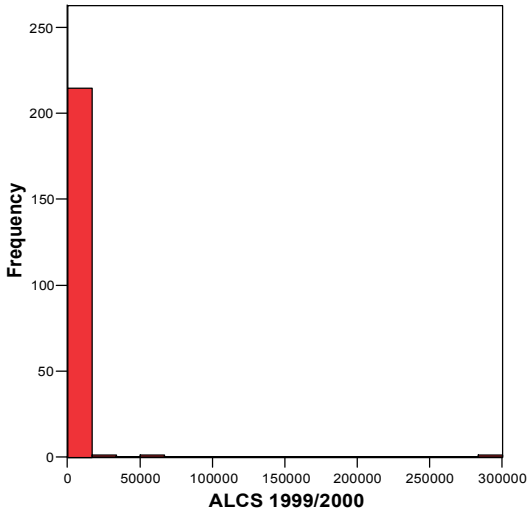


Table 7.23 UK TOTAL ALCS INCOME (PROFESSIONAL AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	218	127	67
Mean (£)	2,670*	3,632*	1,223*
Median (£)	100	100	100
Coefficient of Variation (%)	778.7	743.7	250.2
GINI COEFFICIENT	**0.87**		



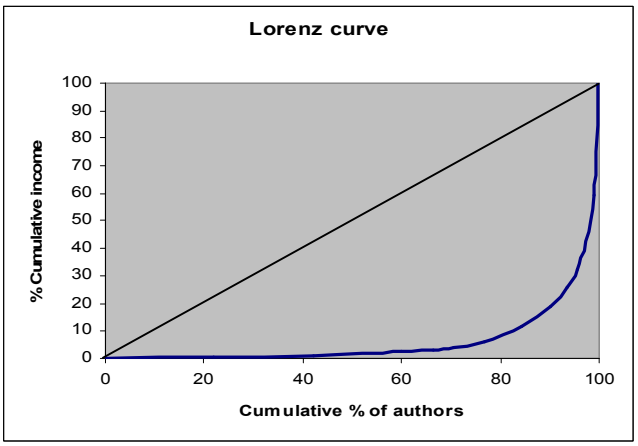
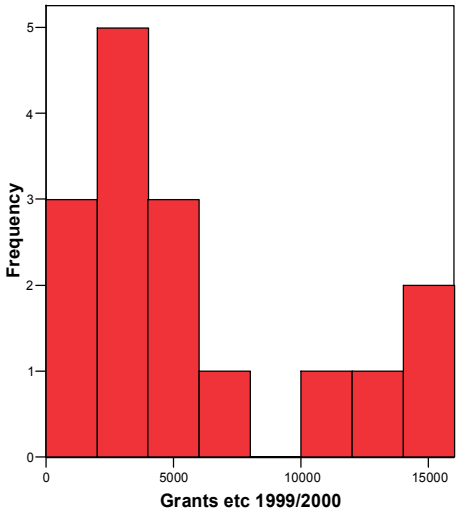
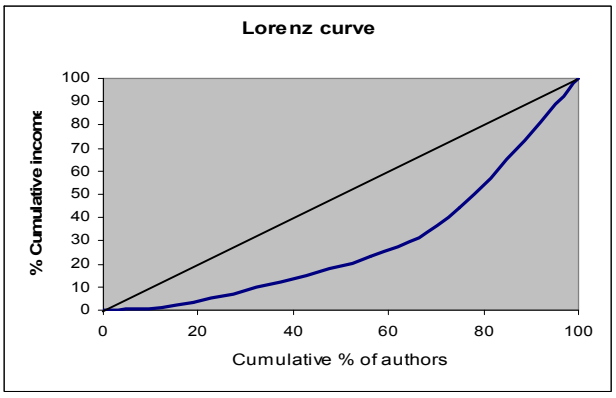


Table 7.24 UK TOTAL GRANTS INCOME (PROFESSIONAL AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	16	5	9
Mean (£)	5,752*	4,600*	5,449*
Median (£)	3,999	3,000	3,998
Coefficient of Variation (%)	84.3	93.0	88.5
GINI COEFFICIENT	**0.41**		



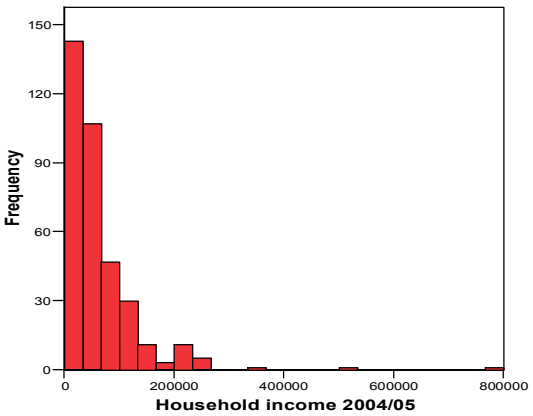


7.3 Main income authors

Table 7.25 UK TOTAL HOUSEHOLD INCOME (MAIN INCOME AUTHORS*), 2004-5

	All	*Male*	*Female*
Valid responses	360	189	141
Mean (£)	62,241	69,521	55,679
Median (£)	40,000	49,000	35,000
Coefficient of Variation (%)	113.1	119.6	97.1
GINI COEFFICIENT	**0.46**		

* 'Main income' authors are defined as those whose writing incomes are at least 50% of their individual incomes.



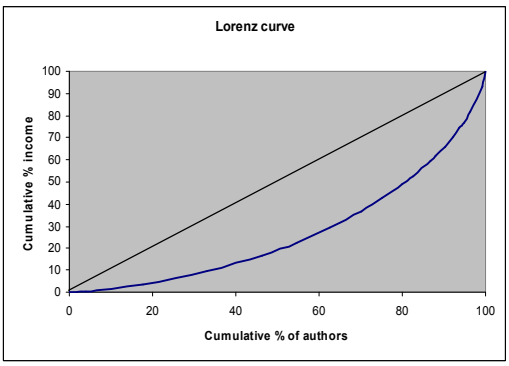
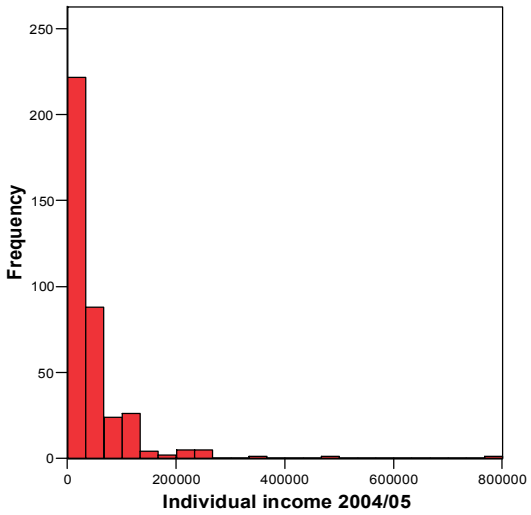


Table 7.26 UK TOTAL INDIVIDUAL INCOME (MAIN INCOME AUTHORS), 2004-5

	All	*Male*	*Female*
Valid responses	379	191	156
Mean (£)	45,655	56,783	34,130
Median (£)	30,000	35,000	20,800
Coefficient of Variation (%)	144.8	143.1	132.5
GINI COEFFICIENT	**0.53**		



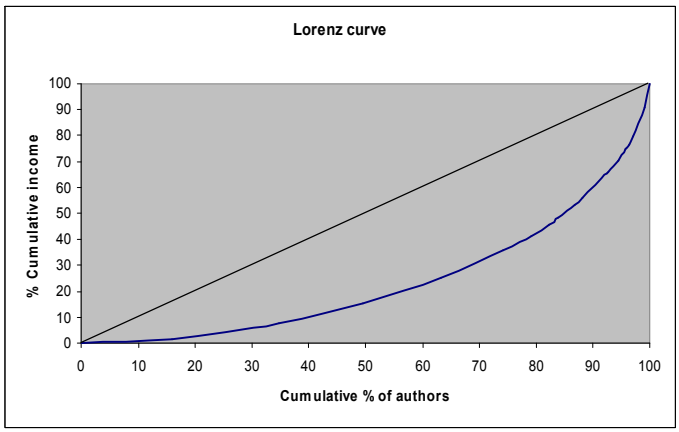
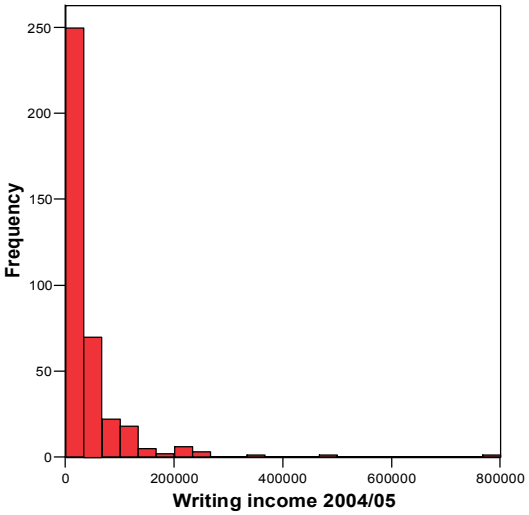


Table 7.27 UK TOTAL WRITING INCOME (MAIN INCOME AUTHORS), 2004-5

	All	*Male*	*Female*
Valid responses	379	191	156
Mean (£)	41,186	51,754	30,524
Median (£)	23,000	30,000	17,266
Coefficient of Variation (%)	158.4	155.4	145.0
GINI COEFFICIENT	**0.56**		



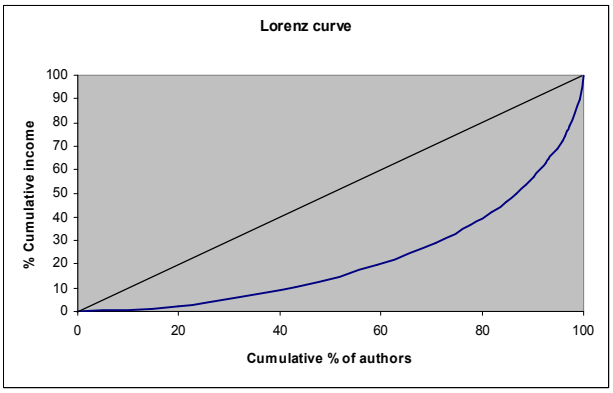
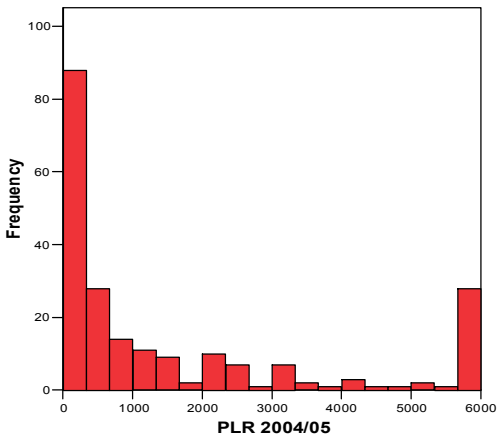


Table 7.28 UK TOTAL PLR INCOME (MAIN INCOME AUTHORS), 2004-5

	All	*Male*	*Female*
Valid responses	216	94	101
Mean (£)	1,591	1,276	1,936
Median (£)	500	405	600
Coefficient of Variation (%)	128.4	140.3	116.6
GINI COEFFICIENT	**0.62**		



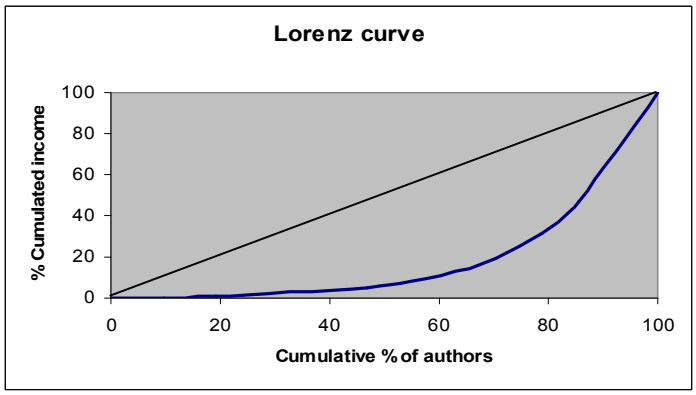
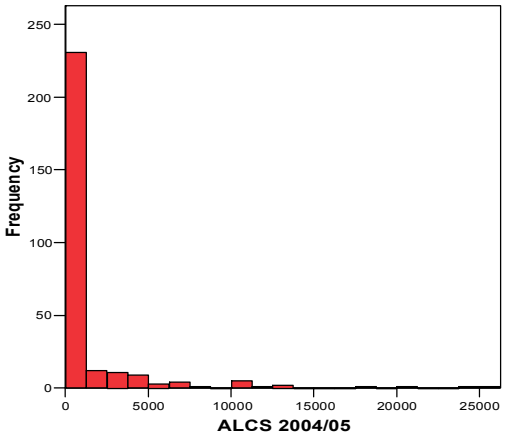


Table 7.29 UK TOTAL ALCS INCOME (MAIN INCOME AUTHORS), 2004-5

	All	*Male*	*Female*
Valid responses	283	150	109
Mean (£)	1,350	1,603	1,095*
Median (£)	200	280	150
Coefficient of Variation (%)	247.6	242.5	254.0
GINI COEFFICIENT	**0.79**		



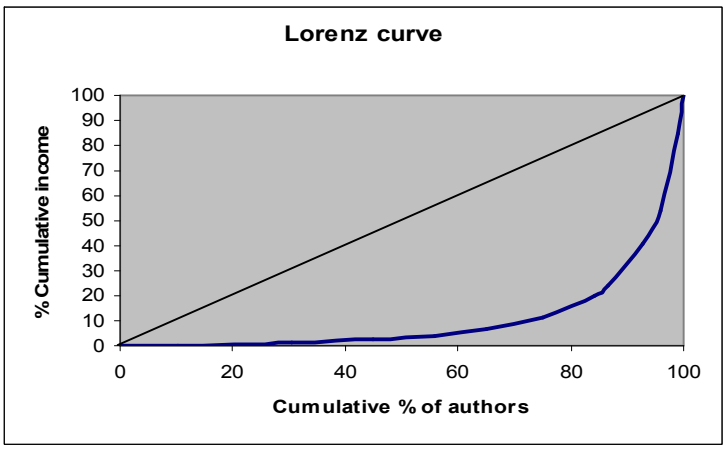
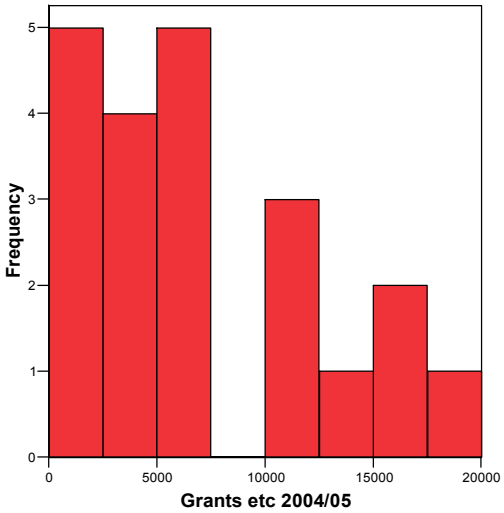


Table 7.30 UK TOTAL GRANTS INCOME (MAIN INCOME AUTHORS), 2004-5

	All	*Male*	*Female*
Valid responses	21	6	13
Mean (£)	6,767	6,208*	5,374*
Median (£)	5,000	4,875	5,000
Coefficient of Variation (%)	79.9	74.0	77.8
GINI COEFFICIENT	**0.41**		



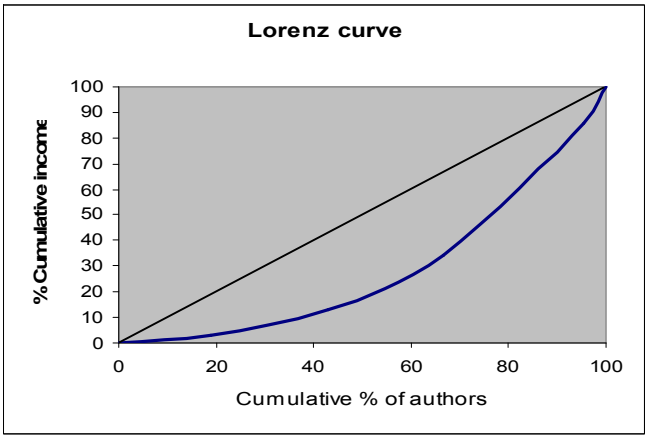
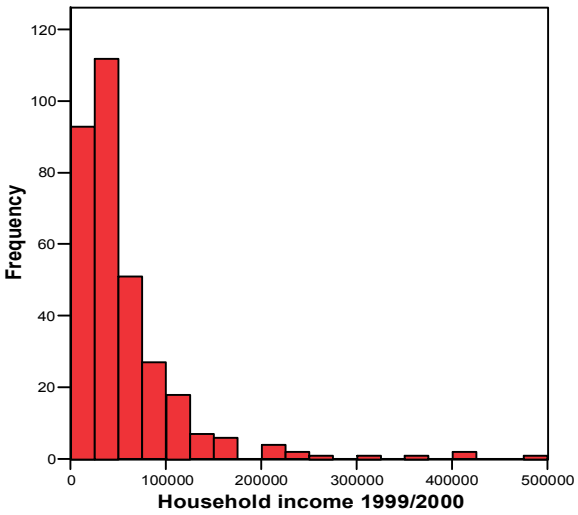


Table 7.31 UK TOTAL HOUSEHOLD INCOME (MAIN INCOME AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	326	173	125
Mean (£)	54,631	59,551	48,080
Median (£)	39,000	40,000	35,000
Coefficient of Variation (%)	99.7	107.2	99.2
GINI COEFFICIENT	**0.41**		



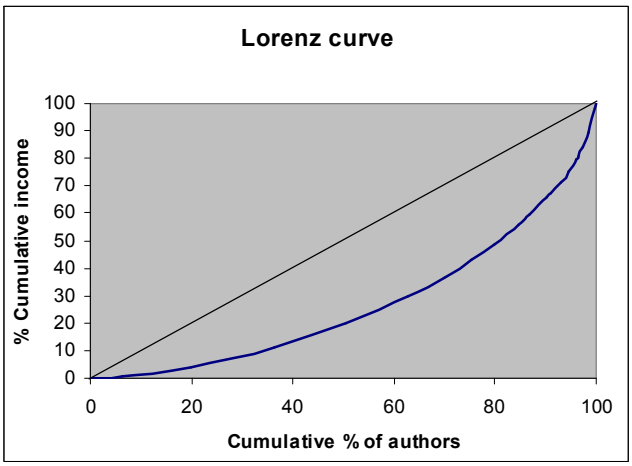
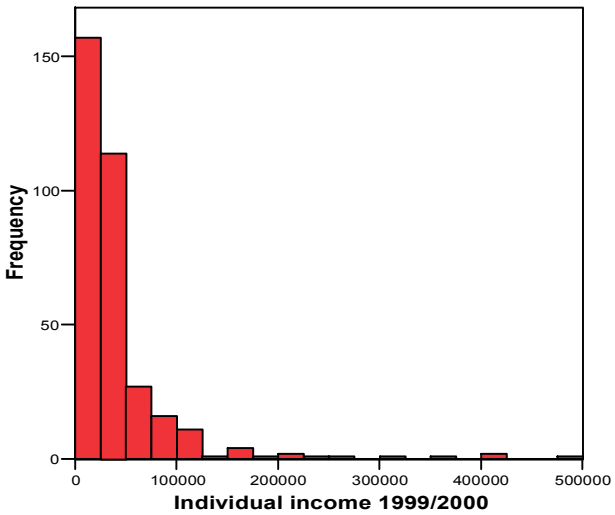


Table 7.32 UK TOTAL INDIVIDUAL INCOME (MAIN INCOME AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	340	176	134
Mean (£)	40,512	48,981	29,796
Median (£)	25,000	30,500	19,563
Coefficient of Variation (%)	138.9	125.5	142.8
GINI COEFFICIENT	**0.51**		



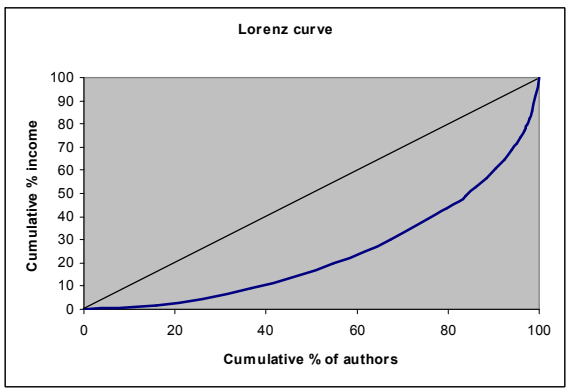
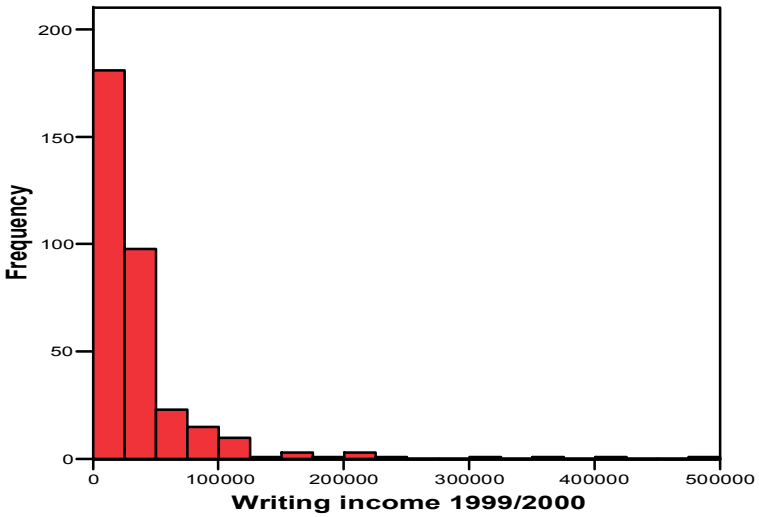


Table 7.33 UK TOTAL WRITING INCOME (MAIN INCOME AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	340	176	134
Mean (£)	36,234	44,840	26,523
Median (£)	20,200	27,985	15,000
Coefficient of Variation (%)	144.0	136.1	147.9
GINI COEFFICIENT	**0.41**		



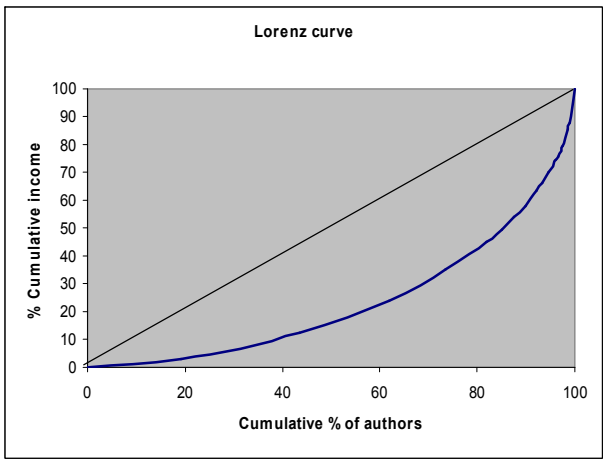
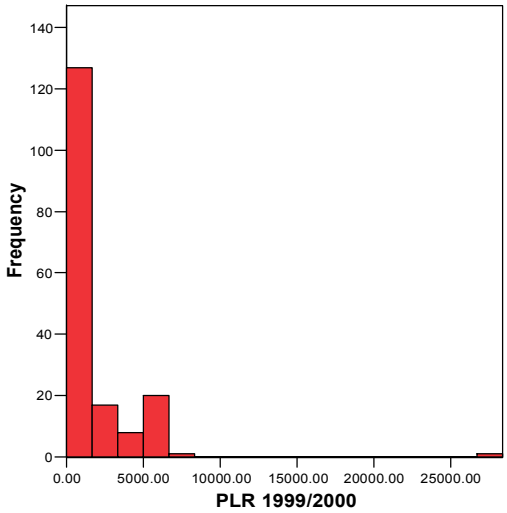


Table 7.34 UK TOTAL PLR INCOME (MAIN INCOME AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	174	81	69
Mean (£)	1,529	1,433*	1,662
Median (£)	374	300	453
Coefficient of Variation (%)	184.4	238.6	132.3
GINI COEFFICIENT	**0.67**		



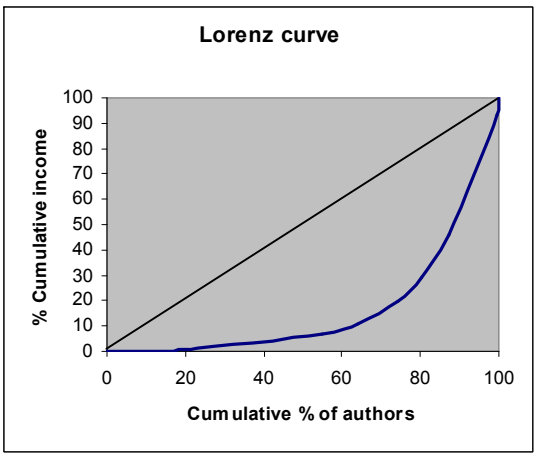
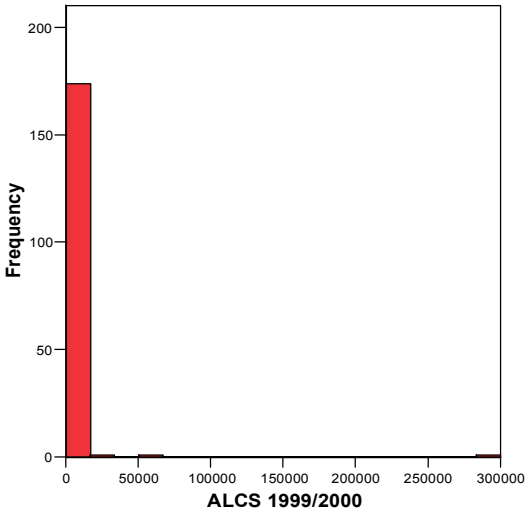


Table 7.35 UK TOTAL ALCS INCOME (MAIN INCOME AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	177	101	55
Mean (£)	3,343*	4,672*	1,470*
Median (£)	150	156	100
Coefficient of Variation (%)	687.9	648.0	226.6
GINI COEFFICIENT	**0.90**		



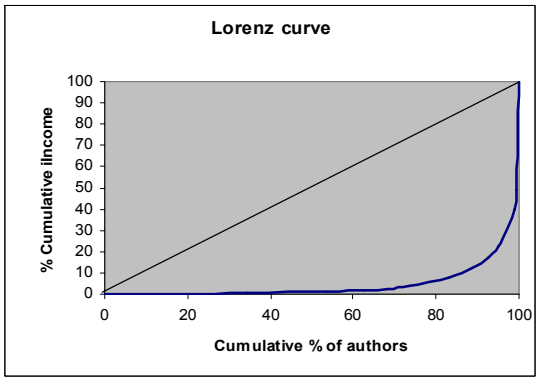
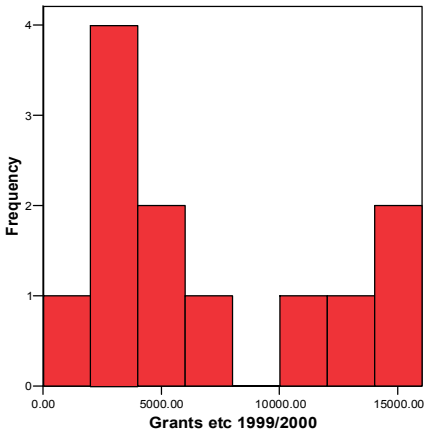
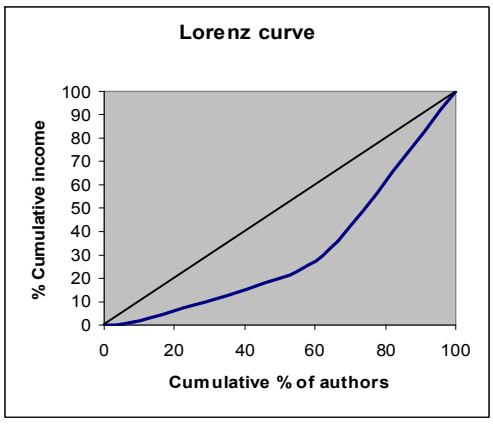


Table 7.36 UK TOTAL GRANTS INCOME (MAIN INCOME AUTHORS), 1999-2000

	All	*Male*	*Female*
Valid responses	12	5	6
Mean (£)	6,833*	4,600*	7,167*
Median (£)	4,500	3,000	5,500
Coefficient of Variation (%)	74.6	93.0	70.3
GINI COEFFICIENT	**0.36**		

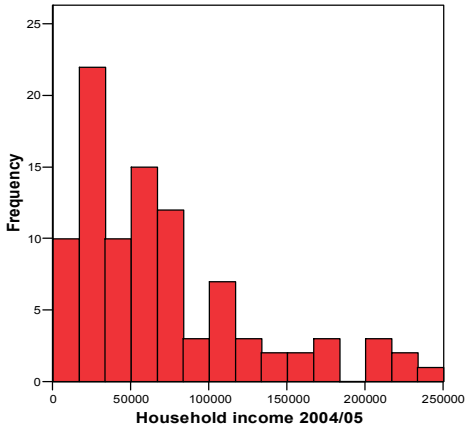




7.4 Audio-visual authors

Table 7.37 UK TOTAL HOUSEHOLD INCOME (AUDIO-VISUAL WRITERS), 2004-5

	All	*Male*	*Female*
Valid responses	95	67	17
Mean (£)	69,555	69,939	62,694
Median (£)	60,000	60,000	55,000
Coefficient of Variation (%)	82.6	85.2	64.4
GINI COEFFICIENT	**0.42**		



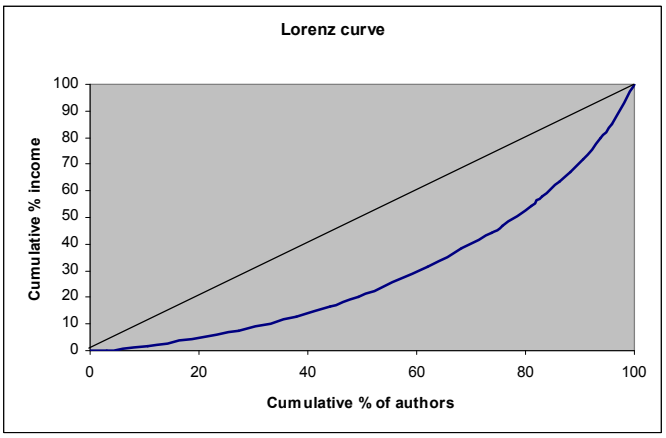
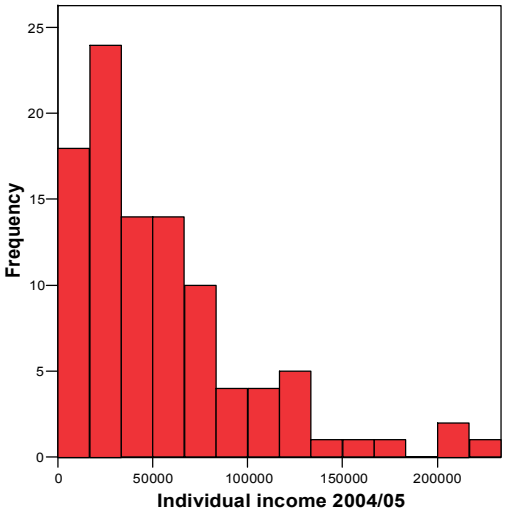


Table 7.38 UK TOTAL INDIVIDUAL INCOME (AUDIO-VISUAL WRITERS), 2004-5

	All	*Male*	*Female*
Valid responses	99	67	19
Mean (£)	53,765	56,439	41,174
Median (£)	40,000	40,000	35,000
Coefficient of Variation (%)	123.7	83.8	76.5
GINI COEFFICIENT	**0.44**		



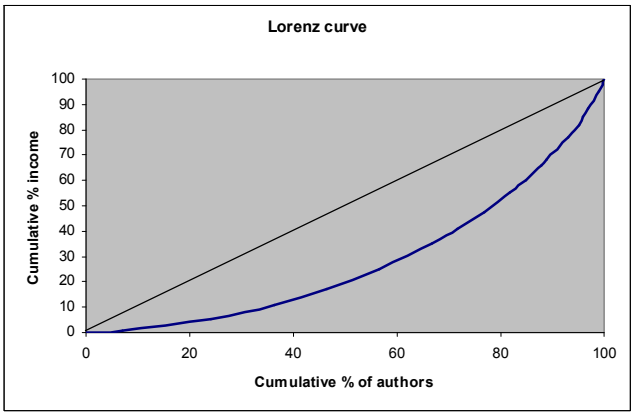
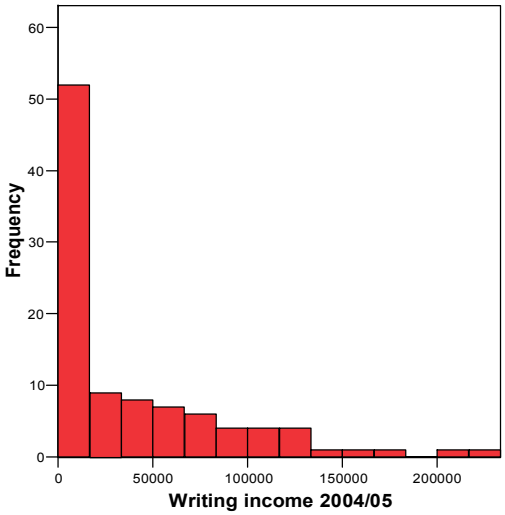


Table 7.39 UK TOTAL WRITING INCOME (AUDIO-VISUAL WRITERS), 2004-5

	All	*Male*	*Female*
Valid responses	99	68	18
Mean (£)	38,111	40,736	33,349*
Median (£)	15,000	15,000	21,500
Coefficient of Variation (%)	128.5	129.7	101.8
GINI COEFFICIENT	**0.60**		



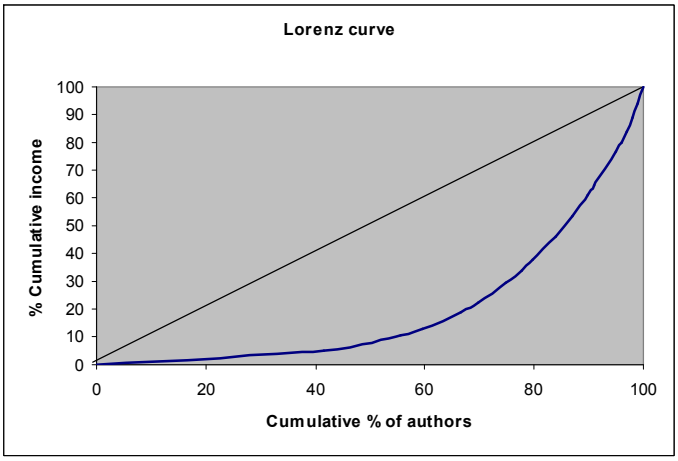
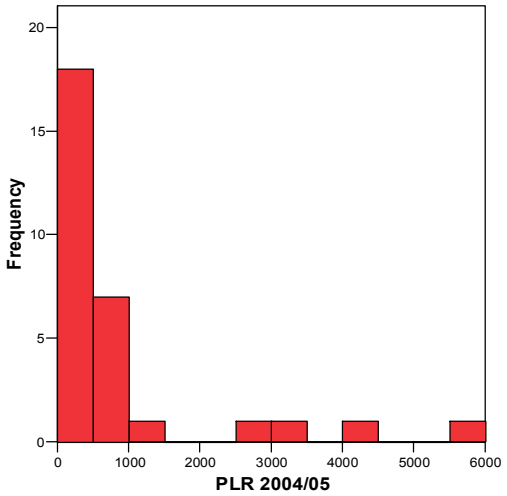


Table 7.40 UK TOTAL PLR INCOME (AUDIO-VISUAL WRITERS), 2004-5

	All	*Male*	*Female*
Valid responses	30	21	7
Mean (£)	767*	689*	1,124*
Median (£)	256	200	380
Coefficient of Variation (%)	177.6	201.3	135.4
GINI COEFFICIENT	**0.67**		



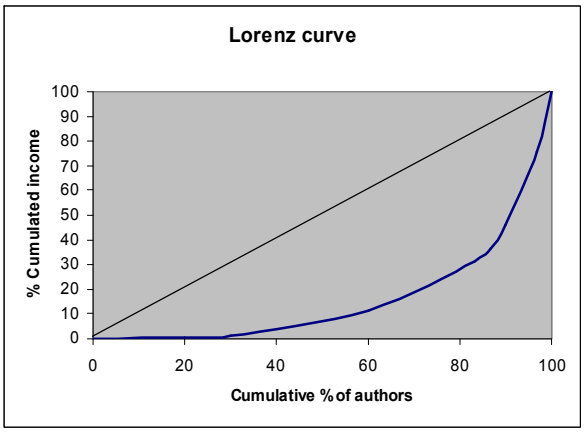
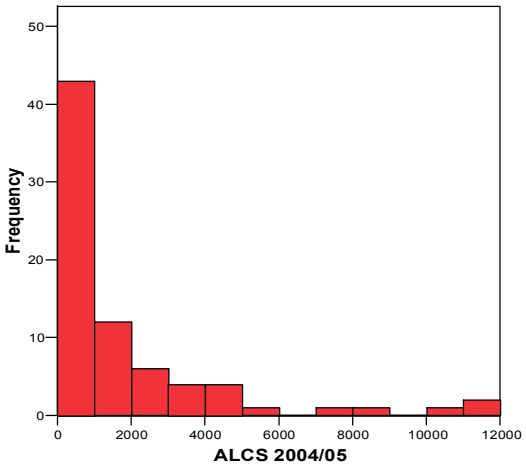


Table 7.41 UK TOTAL ALCS INCOME (AUDIO-VISUAL WRITERS), 2004-5

	All	*Male*	*Female*
Valid responses	75	52	15
Mean (£)	1,603	1,506*	2,492*
Median (£)	500	500	1,025
Coefficient of Variation (%)	155.0	157.4	129.9
GINI COEFFICIENT	**0.67**		



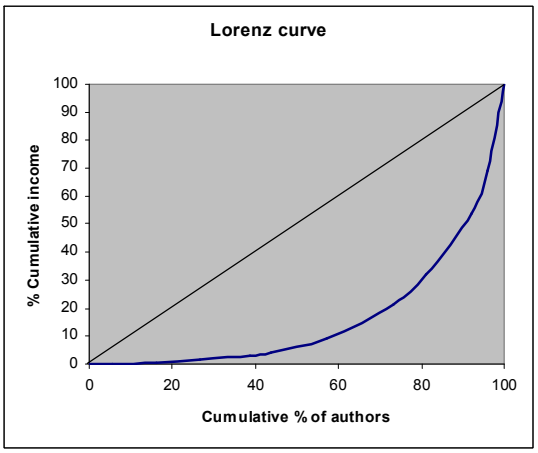


Table 7.42 UK TOTAL GRANTS INCOME (AUDIO-VISUAL WRITERS), 2004-5

	All	*Male*	*Female*
Valid responses	5	3	0
Mean (£)	2,003*	2,839*	N/A
Median (£)	1,000	3,500	N/A
Coefficient of Variation (%)	100.0	81.5	N/A
GINI COEFFICIENT	**N/A**		

Table 7.43 UK TOTAL HOUSEHOLD INCOME (AUDIO-VISUAL WRITERS), 1999-2000

	All	*Male*	*Female*
Valid responses	91	64	17
Mean (£)	64,410	64,939	48,071
Median (£)	40,000	40,000	44,000
Coefficient of Variation (%)	115.2	114.4	56.8

Table 7.44 UK TOTAL INDIVIDUAL INCOME (AUDIO-VISUAL WRITERS), 1999-2000

	All	*Male*	*Female*
Valid responses	90	62	18
Mean (£)	52,905	56,988	31,622
Median (£)	35,000	37,000	30,000
Coefficient of Variation (%)	137.6	129.1	45.4

Table 7.45 UK TOTAL WRITING INCOME (AUDIO-VISUAL WRITERS), 1999-2000

	All	*Male*	*Female*
Valid responses	87	62	16
Mean (£)	40,326	44,511*	21,169*
Median (£)	19,000	16,650	20,000
Coefficient of Variation (%)	172.5	175.6	88.5

Table 7.46 UK TOTAL PLR INCOME (AUDIO-VISUAL WRITERS), 1999-2000

	All	*Male*	*Female*
Valid responses	19	13	4
Mean (£)	809*	695*	564*
Median (£)	200	200	320
Coefficient of Variation (%)	185.9	221.2	114.2

Table 7.47 UK TOTAL ALCS INCOME (AUDIO-VISUAL WRITERS), 1999-2000

	All	*Male*	*Female*
Valid responses	46	34	7
Mean (£)	2,144*	1,376*	3,122*
Median (£)	900	505	2,196
Coefficient of Variation (%)	170.5	156.3	106.1

Table 7.48 UK TOTAL GRANTS INCOME (AUDIO-VISUAL WRITERS), 1999-2000

	All	*Male*	*Female*
Valid responses	3	3	0
Mean (£)	6,333*	6,333*	N/A
Median (£)	4,000	4,000	N/A
Coefficient of Variation (%)	77.9	77.9	N/A

7.5 Income by age group

Table 7.49 UK TOTAL HOUSEHOLD INCOME BY AGE GROUP (FULL SAMPLE), 2004-5

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	21	93	261	386	321
Mean (£)	37,697	55,818	67,186	62,865	46,281
Median (£)	30,000	45,000	55,000	53,500	32,341
Coefficient of variation (%)	60.9	80.2	102.8	80.6	102.8

Table 7.50 UK TOTAL INDIVIDUAL INCOME BY AGE GROUP (FULL SAMPLE), 2004-5

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	22	93	263	403	323
Mean (£)	30,322	39,474	46,945	45,957	37,640
Median (£)	26,500	35,000	35,000	39,000	27,696
Coefficient of variation (%)	76.6	98.0	142.2	94.7	116.2

Table 7.51 UK TOTAL WRITING INCOME BY AGE GROUP (FULL SAMPLE), 2004-5

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	22	97	264	411	345
Mean (£)	8,219*	16,820	21,860	18,217	10,859
Median (£)	2,700	8,000	5,700	4,000	2,000
Coefficient of variation (%)	159.0	130.5	289.7	233.3	234.9

Table 7.52 UK TOTAL PLR INCOME BY AGE GROUP (FULL SAMPLE), 2004-5

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	6	34	112	167	169
Mean (£)	127*	600*	919	856	993
Median (£)	57	120	238	200	146
Coefficient of variation (%)	145.7	193.8	167.0	184.7	182.1

Table 7.53 UK TOTAL ALCS INCOME BY AGE GROUP (FULL SAMPLE), 2004-5

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	11	67	196	322	246
Mean (£)	343*	1,017*	943	924	831*
Median (£)	100	200	200	210	115
Coefficient of variation (%)	126.8	206.8	239.3	254.3	539.0

Table 7.54 UK TOTAL GRANTS INCOME BY AGE GROUP (FULL SAMPLE), 2004-5

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	4	5	16	16	10
Mean (£)	3,738	7,100*	6,240*	2,723*	2,874*
Median (£)	3,975	4,000	4,875	2,000	2,250
Coefficient of variation (%)	35.5	114.7	84.5	96.3	65.8

7.6 Writing income as % of other income

Table 7.55 CONTRIBUTION OF WRITING INCOME TO TOTAL INDIVIDUAL INCOME IN THE UK (FULL SAMPLE), 2004-5

Percentage of authors for whom writing income contributes:	*% of authors*
More than 50% of total individual income	32.9
More than 75% of total individual income	24.6
More than 90% of total individual income	21.7
100% of total individual income	20.3

Table 7.56 CONTRIBUTION OF WRITING INCOME TO TOTAL INDIVIDUAL INCOME IN THE UK (PROFESSIONAL AUTHORS), 2004-5

Percentage of authors for whom writing income contributes:	*% of authors*
More than 50% of total individual income	59.6
More than 75% of total individual income	48.4
More than 90% of total individual income	42.8
100% of total individual income	40.0

8. German Earnings Data[2]

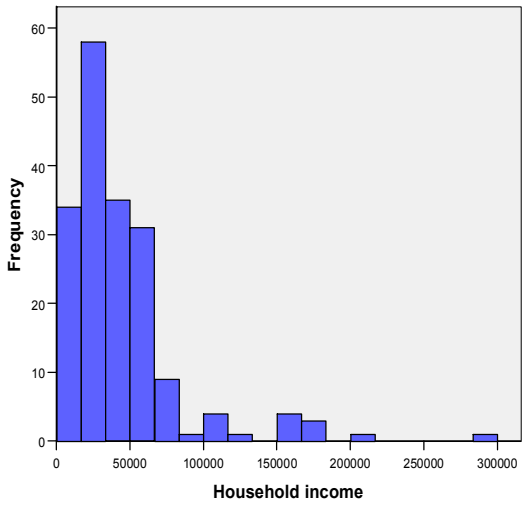
8.1 Full sample

Table 8.1 GERMAN TOTAL HOUSEHOLD INCOME (FULL SAMPLE), 2005

	All	*Male*	*Female*
Valid responses	182	107	70
Mean (€)	43,196	45,683	38,827
Median (€)	32,602	40,000	26,000
Coefficient of variation (%)*	92.3	87.5	99.9
GINI COEFFICIENT	**0.41**		

*The coefficient of variation is a measure of relative dispersion, calculated by expressing the standard deviation as a percentage of the mean. In all tables, means marked with an asterisk may be unreliable as estimates of the true population means because of the small number of valid responses relative to the coefficient of variation.

[2] The tables in Chapters 7 and 8 are marked in matching numbers, for ease of reference. Thus, UK table 7.37 (Household income audio-visual authors 2004-5) corresponds to German table 8.37 (Household income audio-visual authors 2005). This system required omitting some successive numbers, as for example there is no corresponding German category to the UK public lending right (in Germany, PLR income is processed by VG Wort, see Chapter 4.4).


Frequency
60
50
40
30
20
10
0
0
50000
100000
150000
200000
250000
300000
Household income

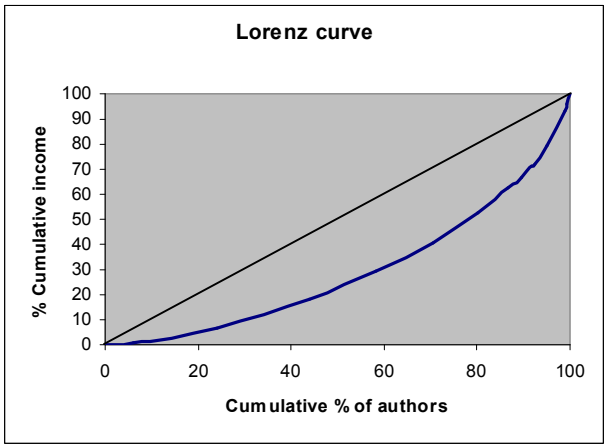
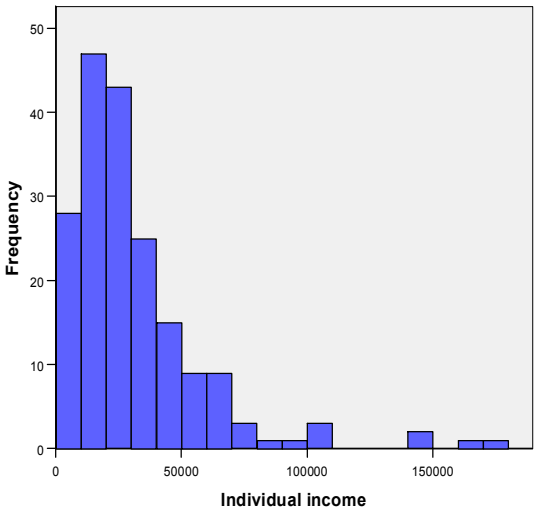

Lorenz curve
% Cumulative income
100
90
80
70
60
50
40
30
20
10
0
0
20
40
60
80
100
Cumulative % of authors

Table 8.2 GERMAN TOTAL INDIVIDUAL INCOME (FULL SAMPLE), 2005

	All	*Male*	*Female*
Valid responses	188	113	72
Mean (€)	29,736	33,734	34,131
Median (€)	24,000	28,000	19,228
Coefficient of variation (%)	92.6	83.9	75.7
GINI COEFFICIENT	**0.42**		



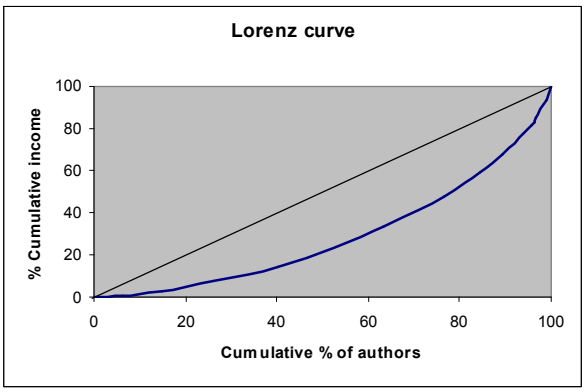
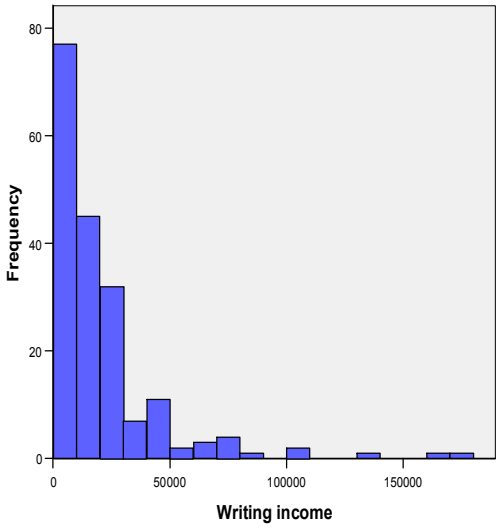


Table 8.3 GERMAN TOTAL WRITING INCOME (FULL SAMPLE), 2005

	All	*Male*	*Female*
Valid responses	187	115	70
Mean (€)	19,368	20,072	18,092
Median (€)	12,000	12,000	10,000
Coefficient of variation (%)	133.5	132.7	138.5
GINI COEFFICIENT	**0.56**		



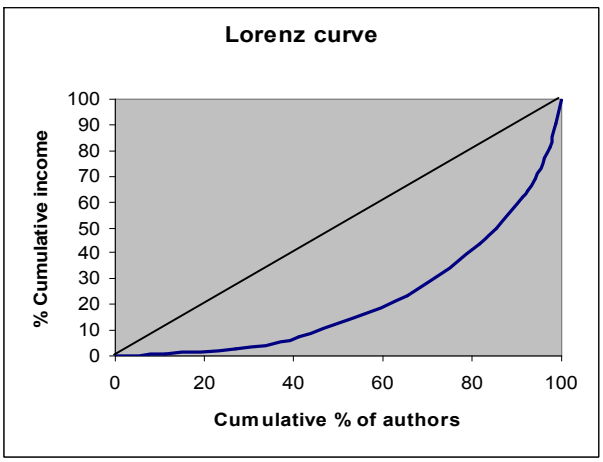
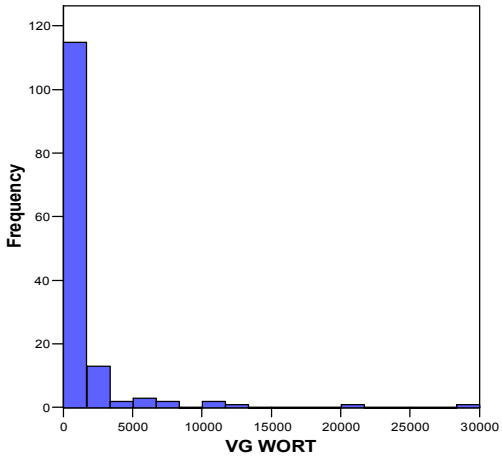


Table 8.4 GERMAN TOTAL VG WORT INCOME (FULL SAMPLE), 2005

	All	*Male*	*Female*
Valid responses	140	88	52
Mean (€)	1,544	1,673	1,325*
Median (€)	563	1,000	488
Coefficient of variation (%)	224.4	172.9	322.9
GINI COEFFICIENT	**0.68**		



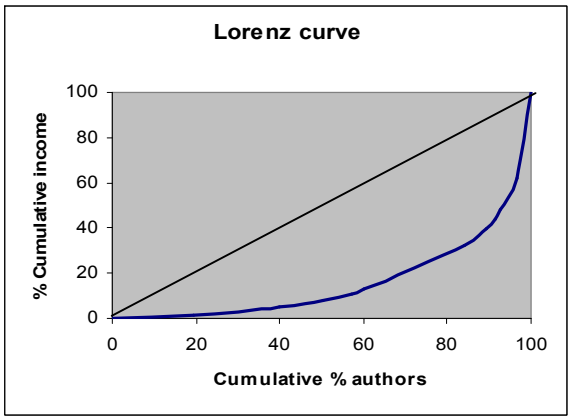
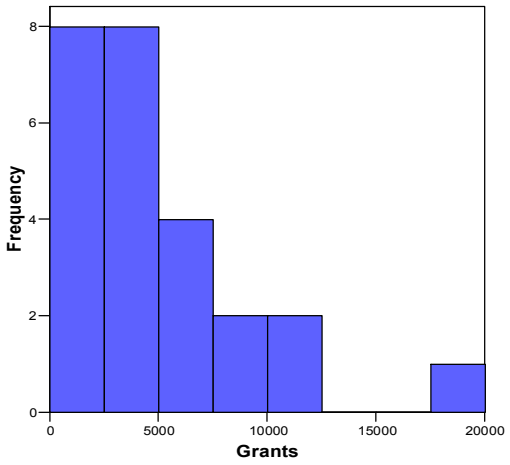


Table 8.6 GERMAN TOTAL GRANTS INCOME (FULL SAMPLE), 2005

	All	*Male*	*Female*
Valid responses	25	15	10
Mean (€)	4,567	5,304*	3,460*
Median (€)	3,000	3,500	2,750
Coefficient of variation (%)	94.2	94.3	82.7
GINI COEFFICIENT	**0.44**		



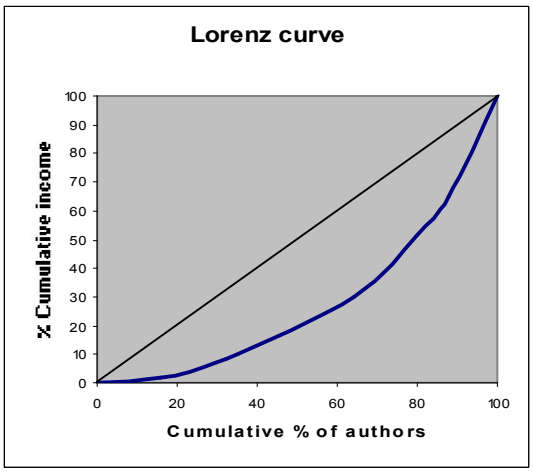
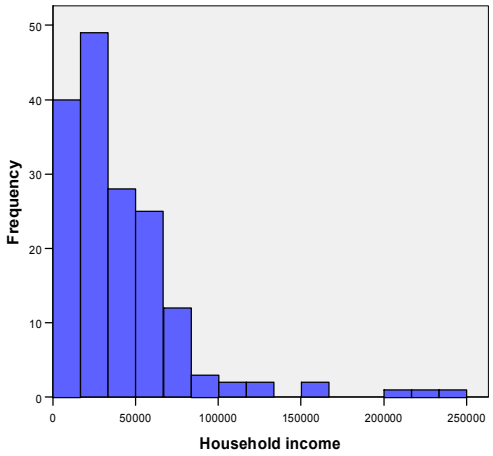


Table 8.7 GERMAN TOTAL HOUSEHOLD INCOME (FULL SAMPLE), 2000

	All	*Male*	*Female*
Valid responses	162	100	62
Mean (€)	40,879	44,180	36,552
Median (€)	30,000	35,000	25,750
Coefficient of variation (%)	91.0	85.5	100.7
GINI COEFFICIENT	**0.41**		



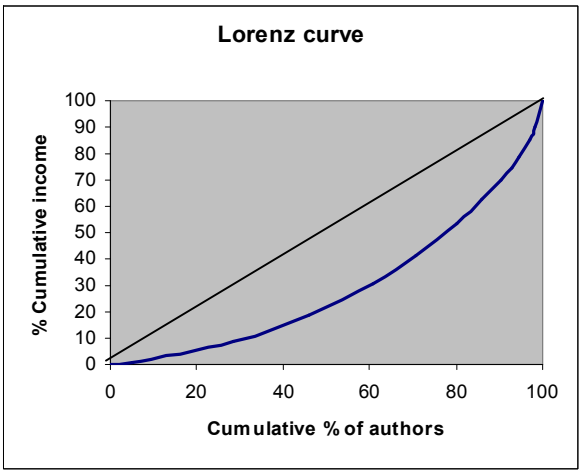
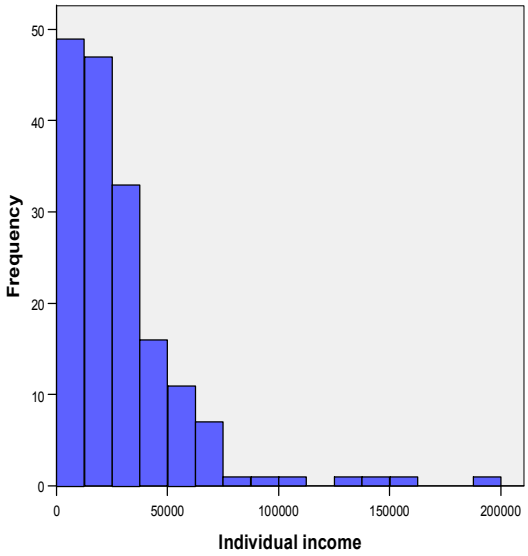


Table 8.8 GERMAN TOTAL INDIVIDUAL INCOME (FULL SAMPLE), 2000

	All	*Male*	*Female*
Valid responses	170	102	65
Mean (€)	28,217	32,776	21,085
Median (€)	20,000	25,700	14,000
Coefficient of variation (%)	98.1	86.1	122.9
GINI COEFFICIENT	**0.44**		



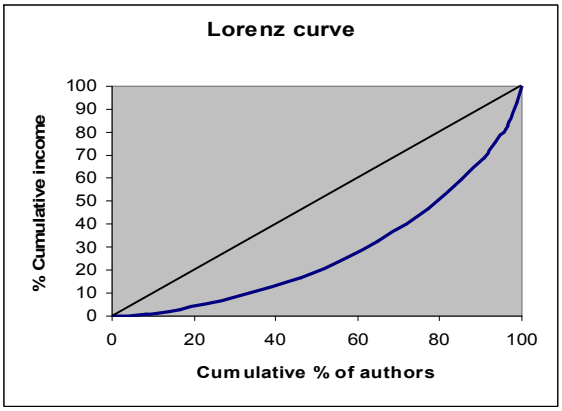
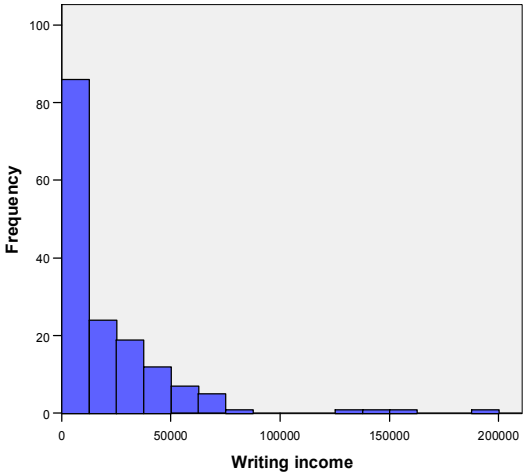


Table 8.9 GERMAN TOTAL WRITING INCOME (FULL SAMPLE), 2000

	All	*Male*	*Female*
Valid responses	158	96	60
Mean (€)	20,564	22,312	17,437*
Median (€)	10,000	12,625	7,000
Coefficient of variation (%)	138.3	129.9	159.5
GINI COEFFICIENT	**0.59**		



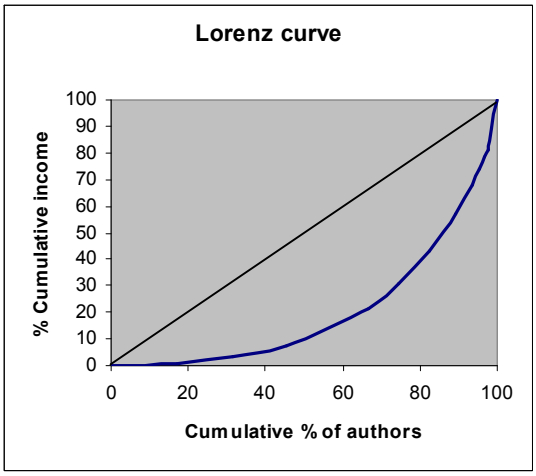
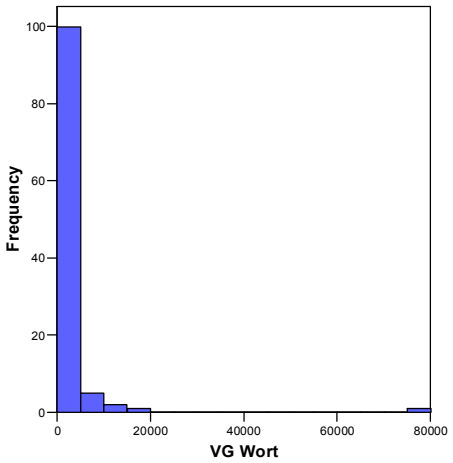


Table 8.11 GERMAN TOTAL VG WORT INCOME (FULL SAMPLE), 2000

	All	*Male*	*Female*
Valid responses	109	72	37
Mean (€)	2,069*	2,582*	1,072*
Median (€)	500	650	300
Coefficient of variation (%)	381.5	289.4	267.1
GINI COEFFICIENT	**0.77**		



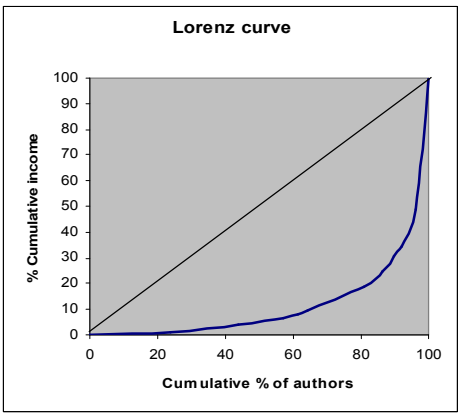
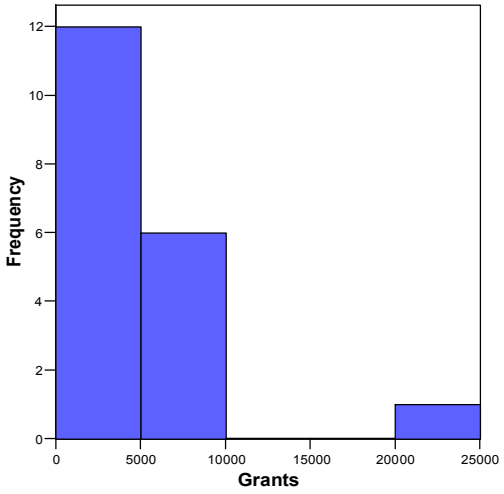
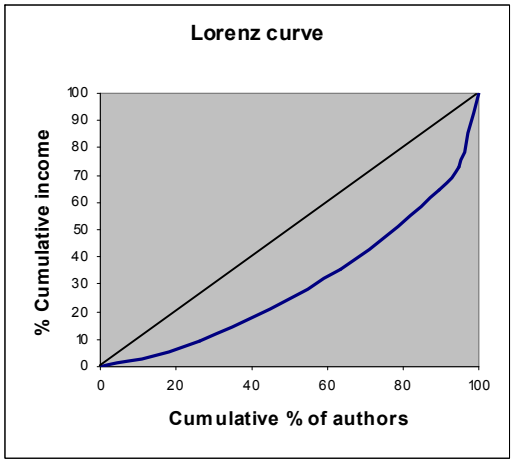


Table 8.12 GERMAN TOTAL GRANTS INCOME (FULL SAMPLE), 2000

	All	*Male*	*Female*
Valid responses	19	10	8
Mean (€)	4,929*	3,275	4,487
Median (€)	3,500	3,000	5,000
Coefficient of variation (%)	105.5	58.9	38.7
GINI COEFFICIENT	**0.38**		

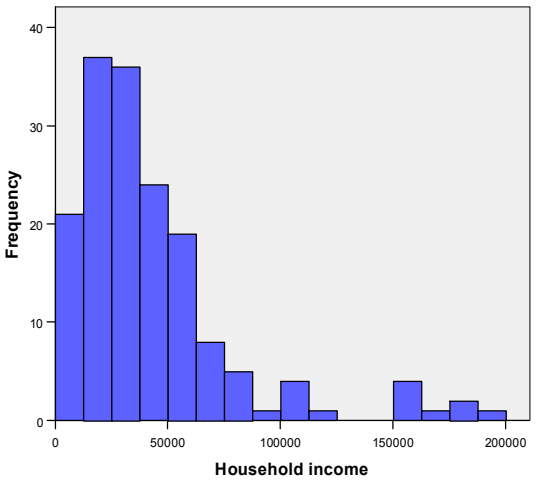


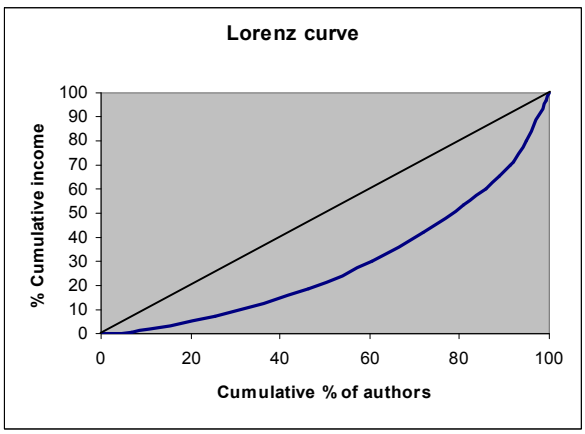


8.2 Professional authors

Table 8.13 GERMAN TOTAL HOUSEHOLD INCOME (PROFESSIONAL AUTHORS*), 2005

	All	*Male*	*Female*
Valid responses	164	92	67
Mean (€)	41,644	43,437	38,476
Median (€)	30,000	38,500	24,000
Coefficient of variation (%)	87.7	76.7	102.8
GINI COEFFICIENT	**0.42**		

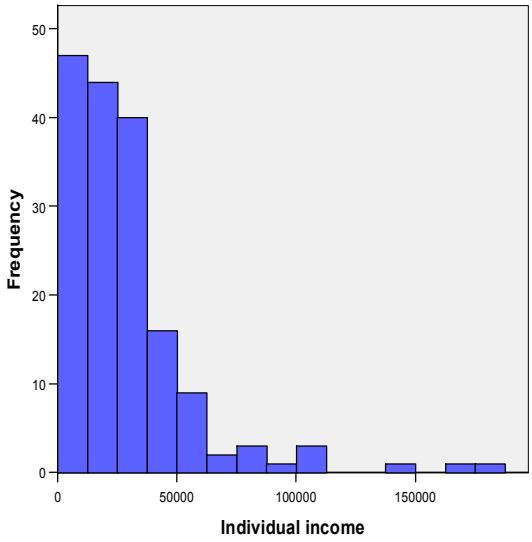




*Professional authors are those who have been coded as authors, audio-visual authors, journalists or translators/linguists because they allocate more than 50% of their time to one of these professions. Of our eight categories, this excludes those writers who describe themselves primarily as academics, teachers, other professionals or retired.

Table 8.14 GERMAN TOTAL INDIVIDUAL INCOME (PROFESSIONAL AUTHORS), 2005

	All	*Male*	*Female*
Valid responses	168	96	69
Mean (€)	27,913	31,718	22,767
Median (€)	21,000	26,500	18,300
Coefficient of variation (%)	96.4	86.9	113.4
GINI COEFFICIENT	**0.43**		



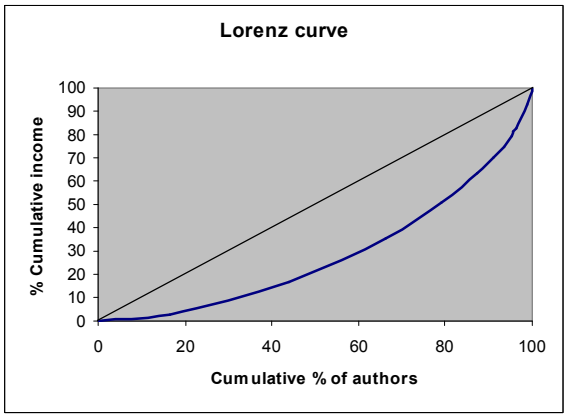
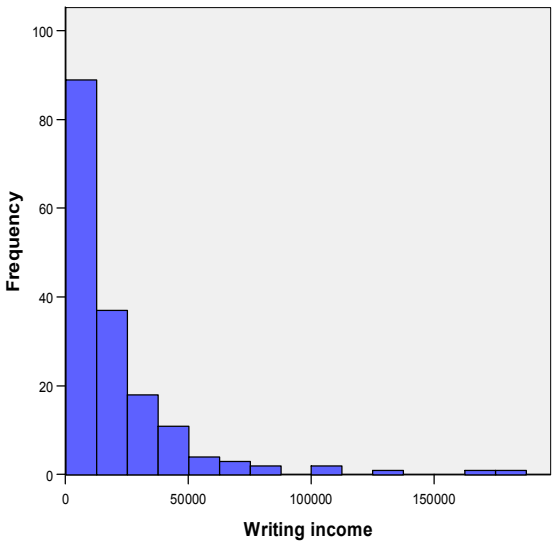


Table 8.15 GERMAN TOTAL WRITING INCOME (PROFESSIONAL AUTHORS), 2005

	All	*Male*	*Female*
Valid responses	169	99	68
Mean (€)	20,113	21,791	17,570
Median (€)	12,000	13,000	10,000
Coefficient of variation (%)	132.7	129.0	141.7
GINI COEFFICIENT	**0.52**		



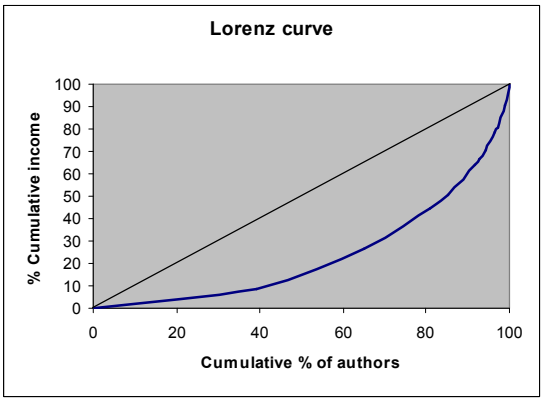
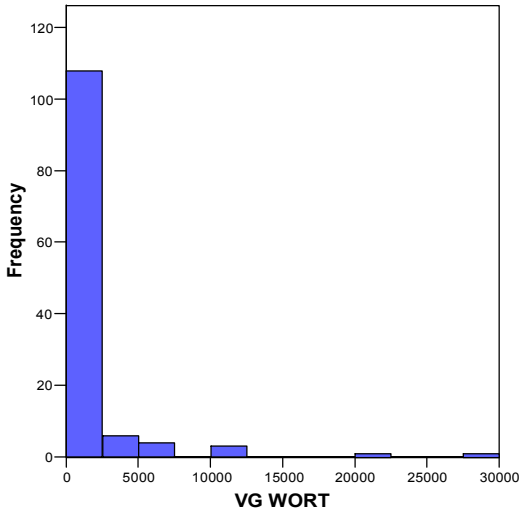


Table 8.17 GERMAN TOTAL VG WORT INCOME (PROFESSIONAL AUTHORS), 2005

	All	*Male*	*Female*
Valid responses	123	74	49
Mean (€)	1,622*	1,777*	1,388*
Median (€)	600	1,000	500
Coefficient of variation (%)	225.0	172.7	317.7
GINI COEFFICIENT	**0.67**		



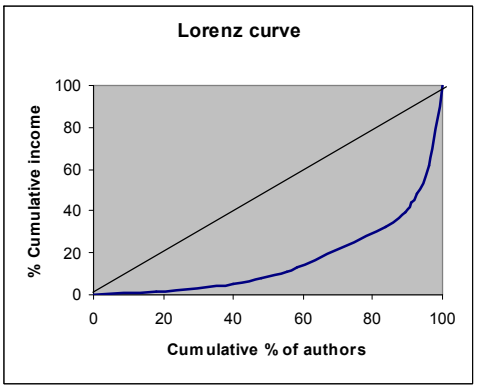
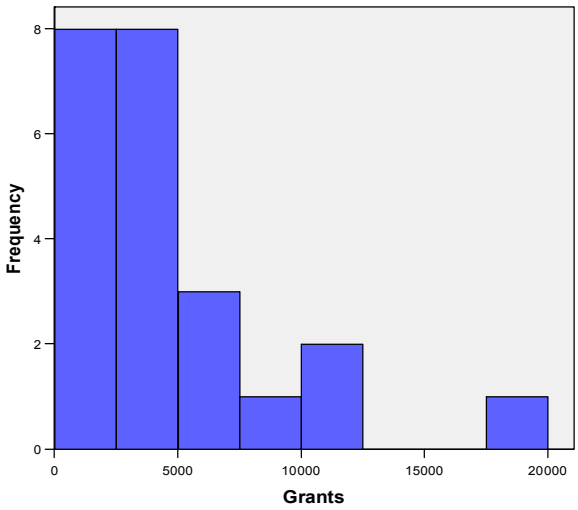


Table 8.18 GERMAN TOTAL GRANTS INCOME (PROFESSIONAL AUTHORS), 2005

	All	*Male*	*Female*
Valid responses	23	13	10
Mean (€)	4,339*	5,014*	3,461*
Median (€)	3,000	3,000	2,750
Coefficient of variation (%)	101.7	106.3	82.7
GINI COEFFICIENT	**0.49**		



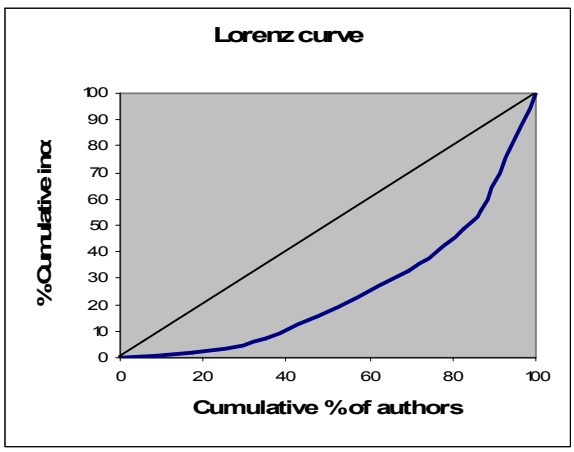
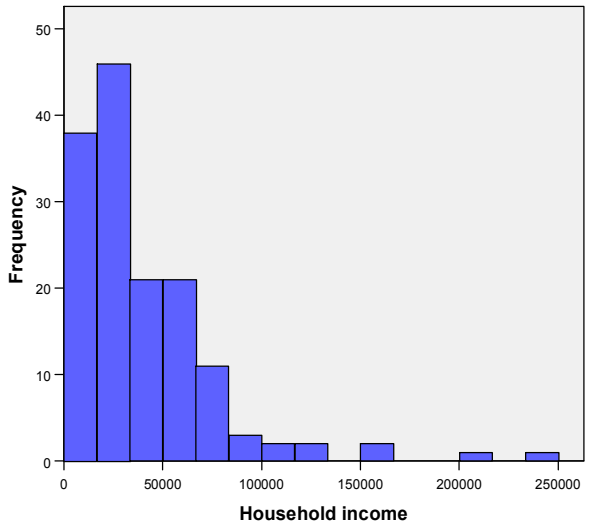


Table 8.19 GERMAN TOTAL HOUSEHOLD INCOME (PROFESSIONAL AUTHORS), 2000

	All	*Male*	*Female*
Valid responses	148	85	59
Mean (€)	39,569	42,309	36,580
Median (€)	30,000	30,000	25,000
Coefficient of variation (%)	91.1	83.6	103.2
GINI COEFFICIENT	**0.42**		



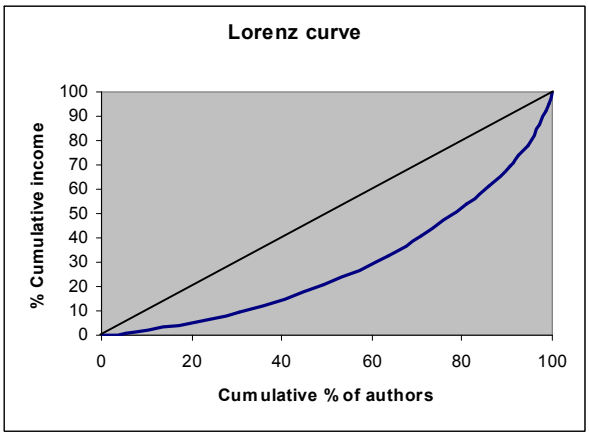
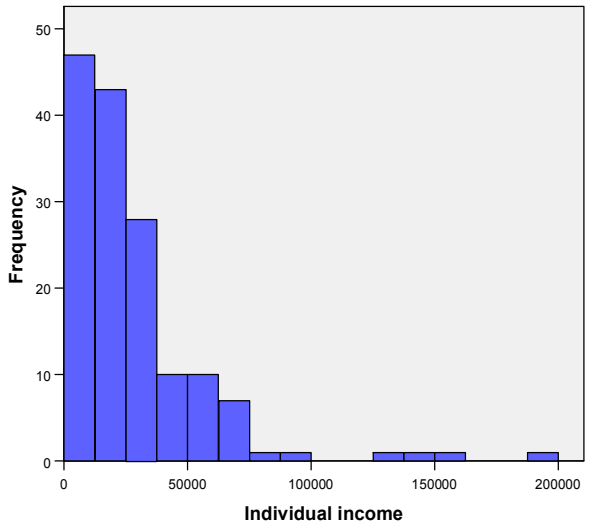


Table 8.20 GERMAN TOTAL INDIVIDUAL INCOME (PROFESSIONAL AUTHORS), 2000

	All	*Male*	*Female*
Valid responses	151	86	62
Mean (€)	27,399	32,155	20,785
Median (€)	20,000	22,900	13,539
Coefficient of variation (%)	103.5	91.5	126.3
GINI COEFFICIENT	**0.45**		



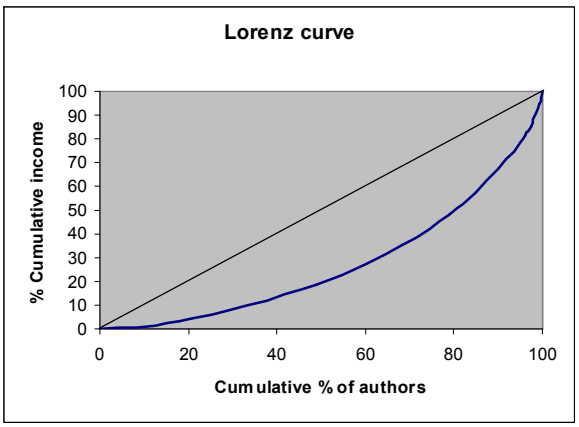
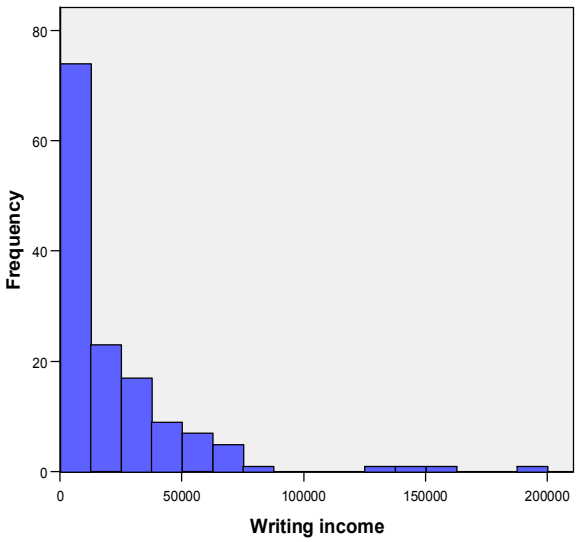


Table 8.21 GERMAN TOTAL WRITING INCOME (PROFESSIONAL AUTHORS), 2000

	All	*Male*	*Female*
Valid responses	140	80	58
Mean (€)	21,538	24,388	17,297*
Median (€)	12,000	14,250	7,000
Coefficient of variation (%)	137.5	126.1	162.3
GINI COEFFICIENT	**0.55**		



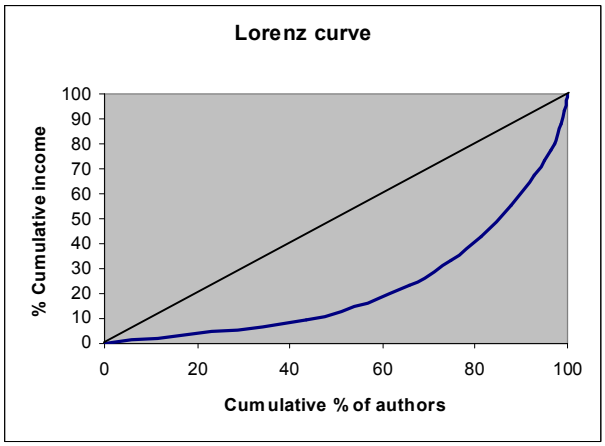
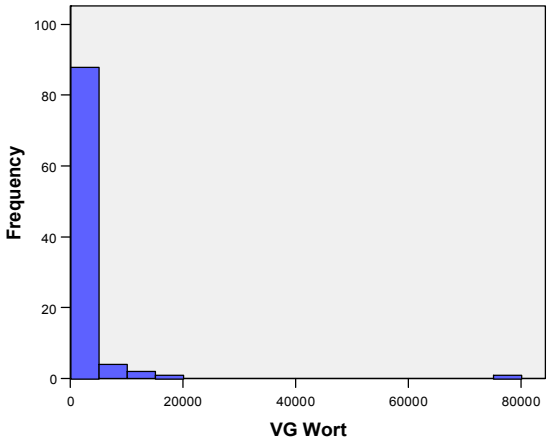


Table 8.23 GERMAN TOTAL VG WORT INCOME (PROFESSIONAL AUTHORS), 2000

	All	*Male*	*Female*
Valid responses	96	61	35
Mean (€)	2,233*	2,871*	1,122*
Median (€)	500	1,000	300
Coefficient of variation (%)	375.4	357.3	261.8
GINI COEFFICIENT	**0.76**		



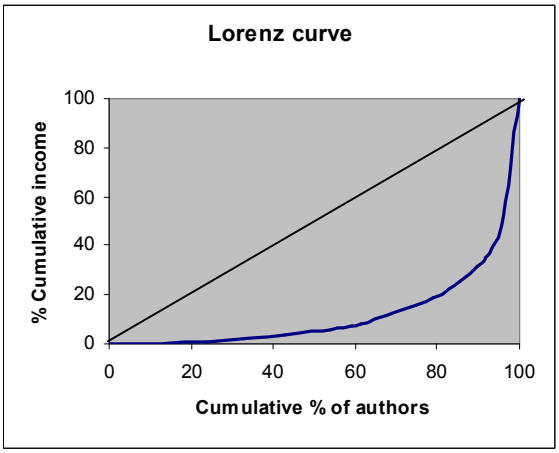
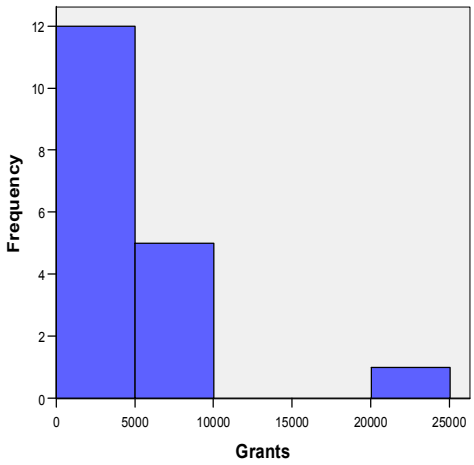
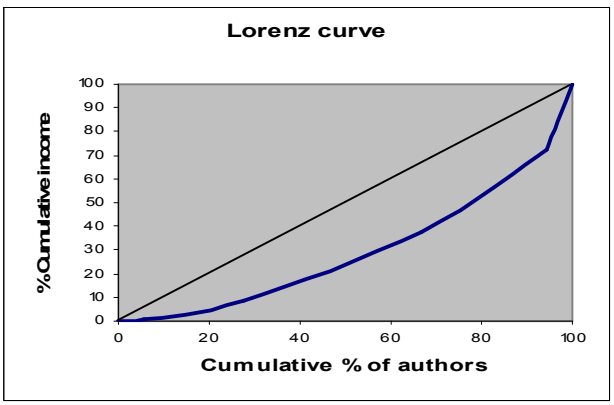


Table 8.24 GERMAN TOTAL GRANTS INCOME (PROFESSIONAL AUTHORS), 2000

	All	*Male*	*Female*
Valid responses	18	9	8
Mean (€)	4,758*	2,750	4,487
Median (€)	3,250	3,000	5,000
Coefficient of variation (%)	111.3	38.0	38.7
GINI COEFFICIENT	**0.40**		



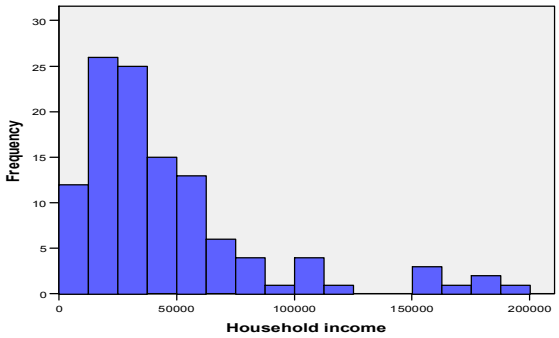


8.3 Main income authors

Table 8.25 GERMAN TOTAL HOUSEHOLD INCOME (MAIN INCOME AUTHORS*), 2005

	All	*Male*	*Female*
Valid responses	114	61	51
Mean (€)	45,518	47,524	43,785
Median (€)	31,636	40,000	27,000
Coefficient of variation (%)	88.2	80.6	98.6
GINI COEFFICIENT	**0.43**		

* 'Main income' authors are defined as those whose writing incomes are at least 50% of their individual incomes.



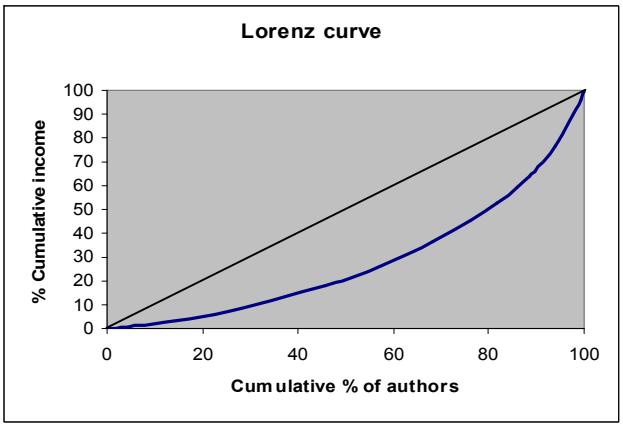
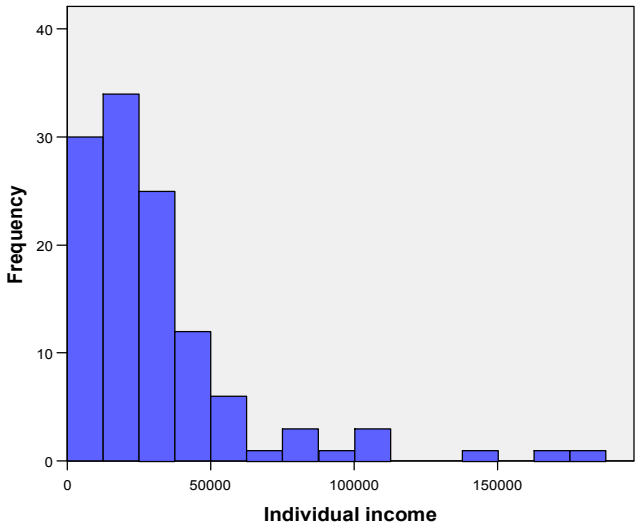


Table 8.26 GERMAN TOTAL INDIVIDUAL INCOME (MAIN INCOME AUTHORS), 2005

	All	*Male*	*Female*
Valid responses	118	63	53
Mean (€)	30,110	34,905	24,661
Median (€)	20,500	27,000	18,300
Coefficient of variation (%)	100.8	89.5	118.2
GINI COEFFICIENT	**0.45**		



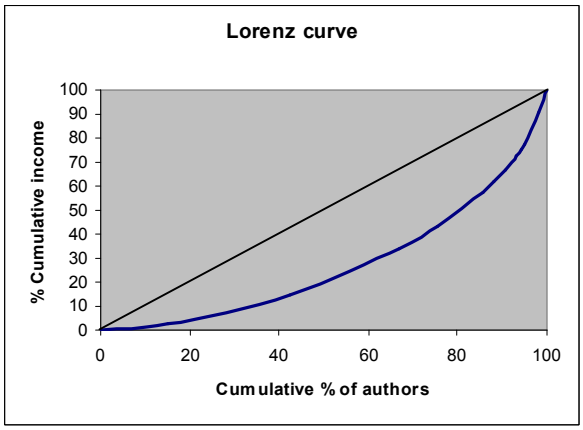
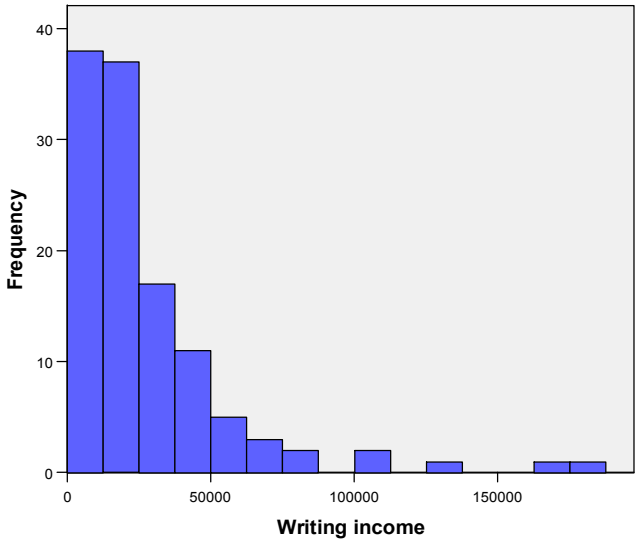


Table 8.27 GERMAN TOTAL WRITING INCOME (MAIN INCOME AUTHORS), 2005

	All	*Male*	*Female*
Valid responses	118	63	53
Mean (€)	27,544	32,130	22,246
Median (€)	20,000	21,000	13,400
Coefficient of variation (%)	106.5	95.6	123.6
GINI COEFFICIENT	**0.46**		



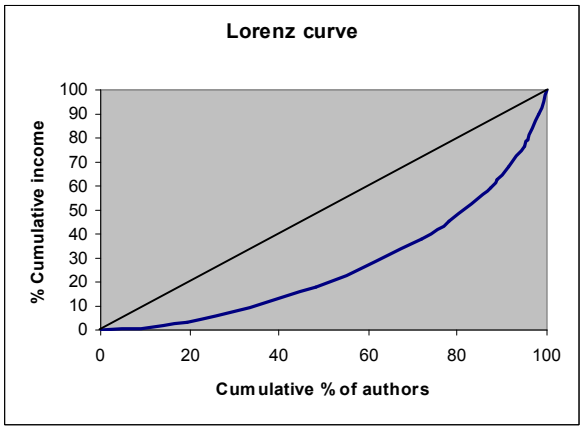
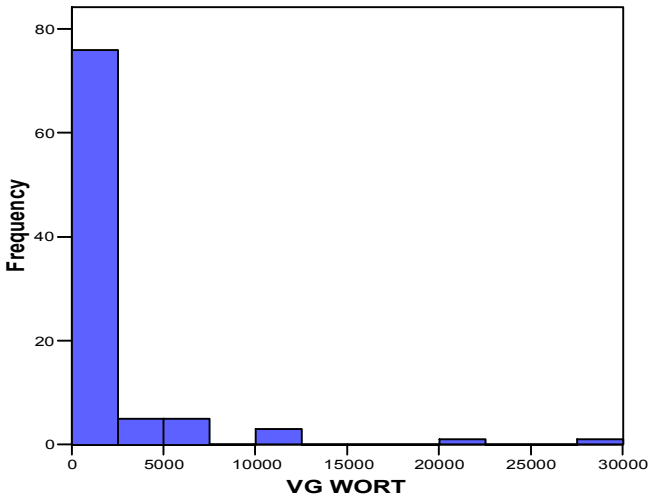


Table 8.29 GERMAN TOTAL VGWORT INCOME (MAIN INCOME AUTHORS), 2005

	All	*Male*	*Female*
Valid responses	91	52	39
Mean (€)	2,068*	2,430*	1,584*
Median (€)	915	1,270	500
Coefficient of variation (%)	202.4	145.4	311.2
GINI COEFFICIENT	**0.73**		



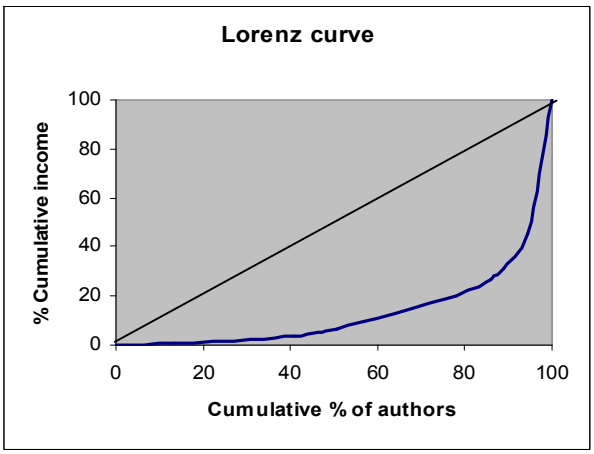
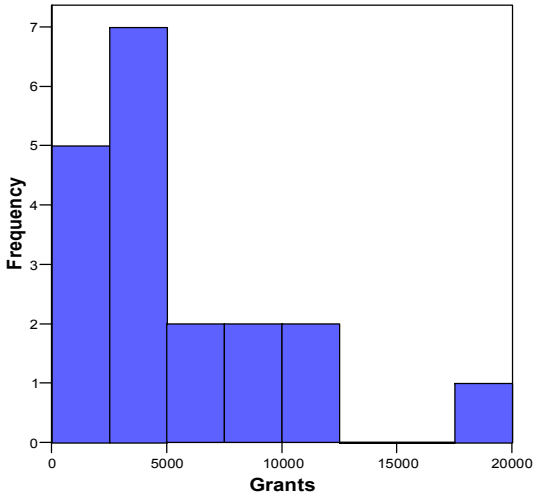


Table 8.30 GERMAN TOTAL GRANTS INCOME (MAIN INCOME AUTHORS), 2005

	All	*Male*	*Female*
Valid responses	19	11	8
Mean (€)	5,042*	6,162*	3,501*
Median (€)	3,300	5,823	2,750
Coefficient of variation (%)	92.1	89.0	79.7
GINI COEFFICIENT	**0.52**		



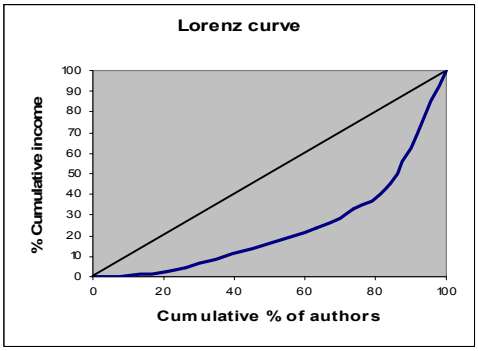
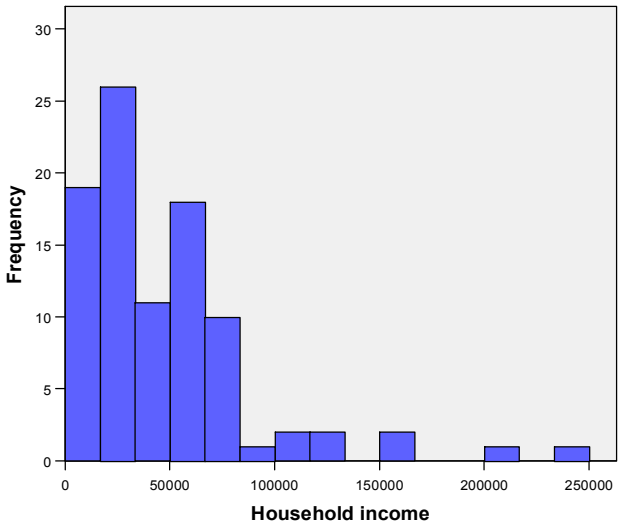


Table 8.31 GERMAN TOTAL HOUSEHOLD INCOME (MAIN INCOME AUTHORS), 2000

	All	*Male*	*Female*
Valid responses	93	53	38
Mean (€)	46,547	49,621	42,865
Median (€)	35,000	40,000	29,950
Coefficient of variation (%)	88.9	81.7	101.5
GINI COEFFICIENT	**0.42**		



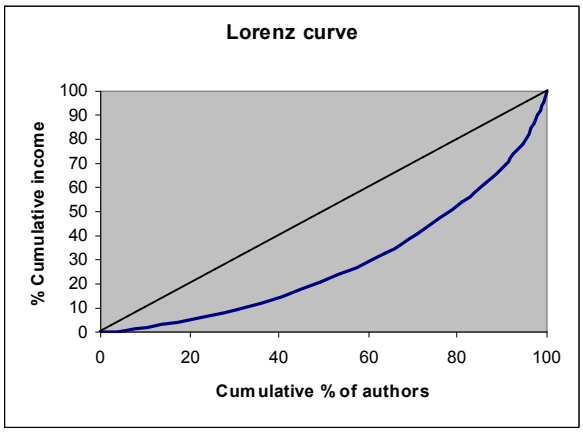
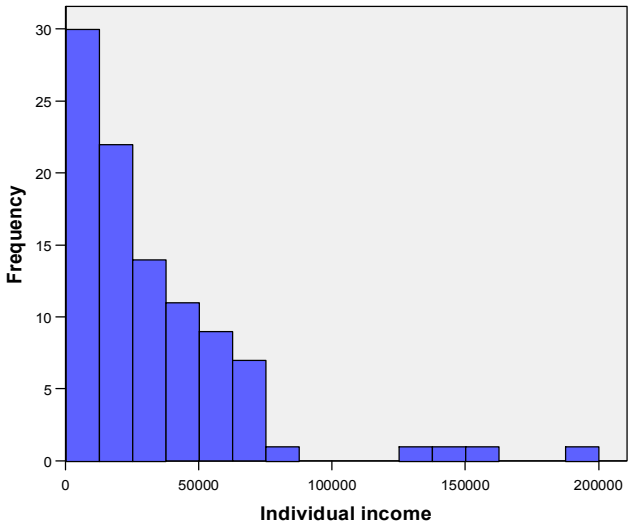


Table 8.32 GERMAN TOTAL INDIVIDUAL INCOME (MAIN INCOME AUTHORS), 2000

	All	*Male*	*Female*
Valid responses	98	56	40
Mean (€)	31,671	37,112	24,111*
Median (€)	20,500	29,500	13,250
Coefficient of variation (%)	103.6	89.2	132.5
GINI COEFFICIENT	**0.45**		



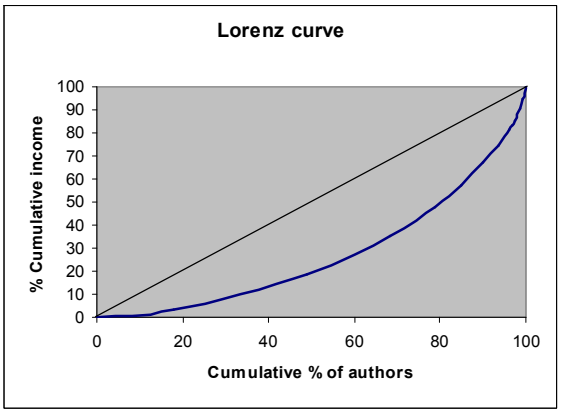
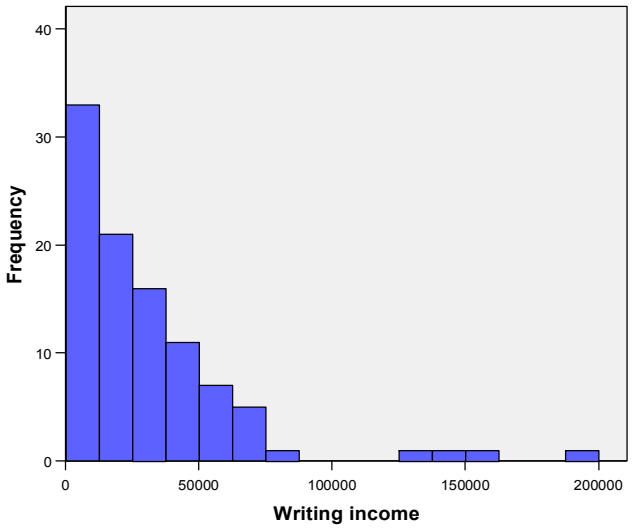


Table 8.33 GERMAN TOTAL WRITING INCOME (MAIN INCOME AUTHORS), 2000

	All	*Male*	*Female*
Valid responses	98	56	40
Mean (€)	29,535	33,817	23,493*
Median (€)	19,000	25,000	11,250
Coefficient of variation (%)	109.8	96.6	137.0
GINI COEFFICIENT	**0.55**		



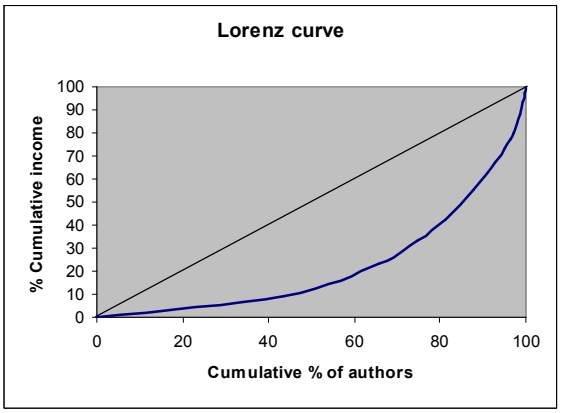
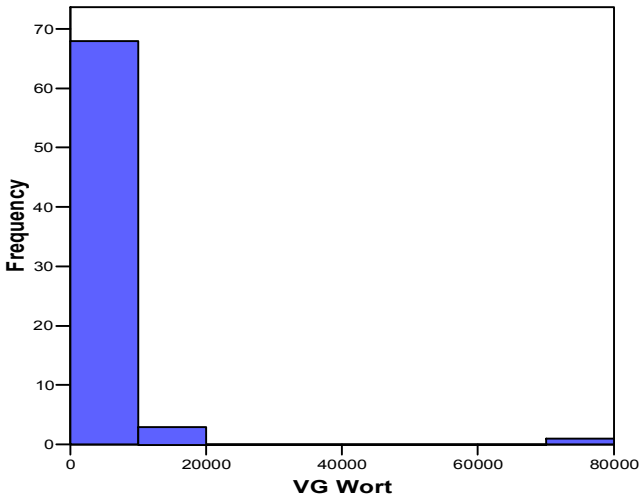


Table 8.35 GERMAN TOTAL VG WORT INCOME (MAIN INCOME AUTHORS), 2000

	All	*Male*	*Female*
Valid responses	72	44	28
Mean (€)	2,910*	3,915*	1,331*
Median (€)	775	1,250	358
Coefficient of variation (%)	330.5	305.8	244.9
GINI COEFFICIENT	**0.76**		



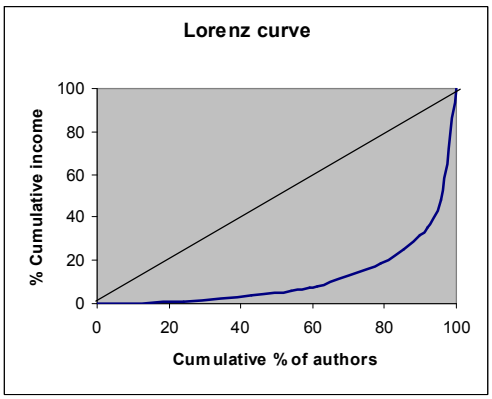
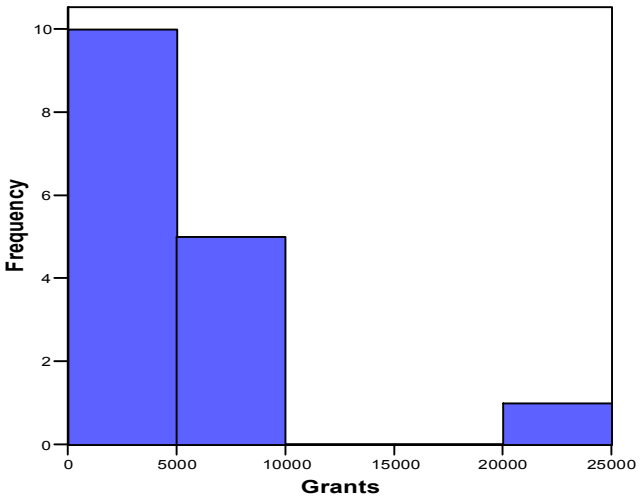
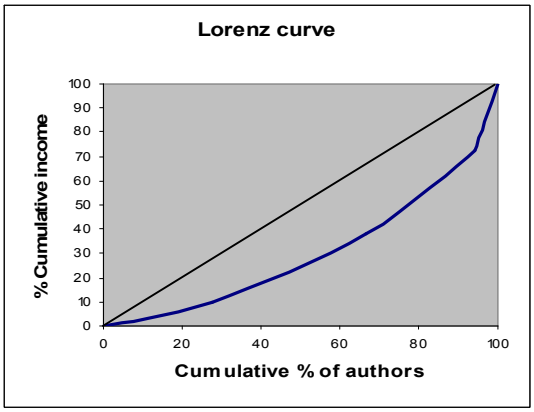


Table 8.36 GERMAN TOTAL GRANTS INCOME (MAIN INCOME AUTHORS), 2000

	All	*Male*	*Female*
Valid responses	16	8	7
Mean (€)	5,253*	3,694	4,214
Median (€)	4,000	3,000	5,000
Coefficient of variation (%)	105.4	52.4	39.9
GINI COEFFICIENT	**0.38**		

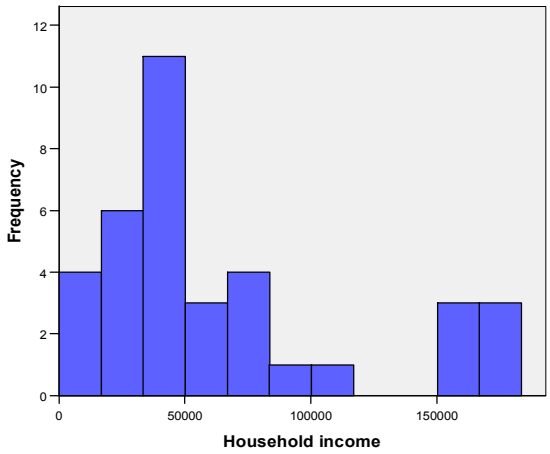




8.3 Audio-visual authors

Table 8.37 GERMAN TOTAL HOUSEHOLD INCOME (AUDIO-VISUAL WRITERS), 2005

	All	*Male*	*Female*
Valid responses	36	24	10
Mean (€)	63,333	67,104	49,750*
Median (€)	40,000	49,000	30,750
Coefficient of variation (%)	81.2	73.0	108.2
GINI COEFFICIENT	**0.41**		



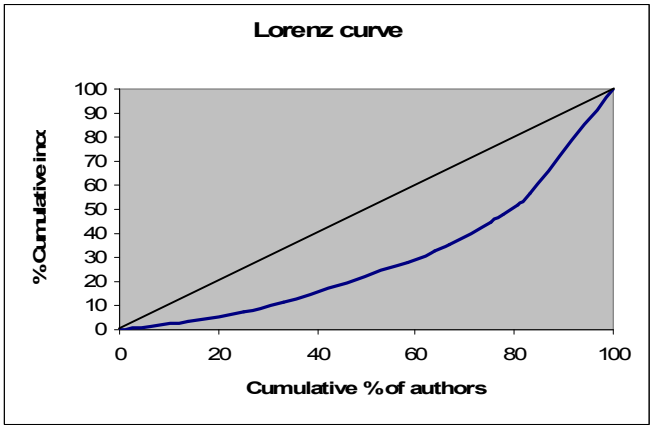
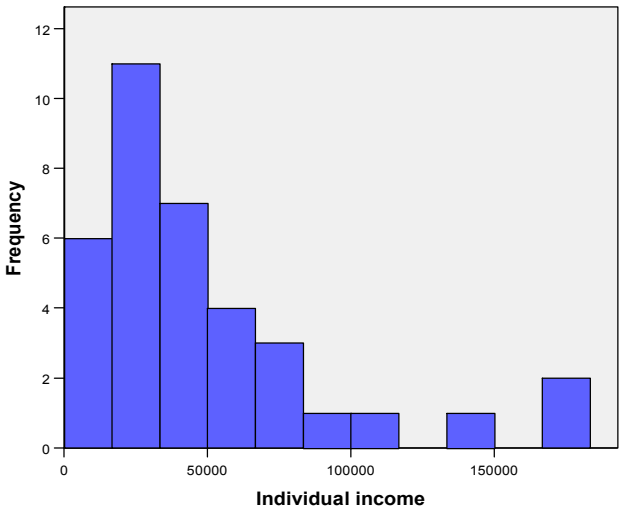


Table 8.38 GERMAN TOTAL INDIVIDUAL INCOME (AUDIO-VISUAL WRITERS), 2005

	All	*Male*	*Female*
Valid responses	36	25	11
Mean (€)	48,683	52,244	40,591*
Median (€)	38,750	40,000	25,000
Coefficient of variation (%)	87.0	76.3	119.6
GINI COEFFICIENT	**0.41**		



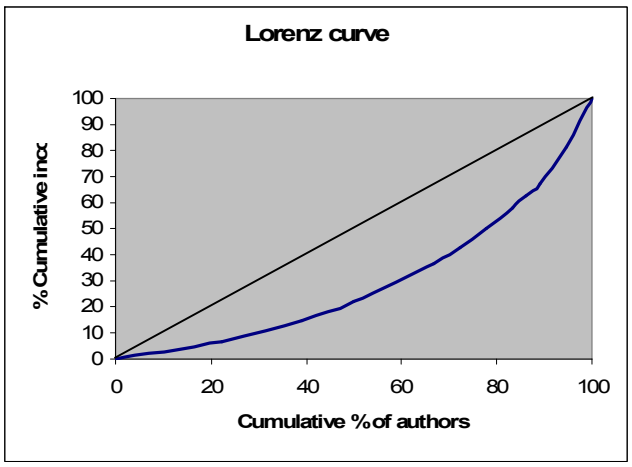
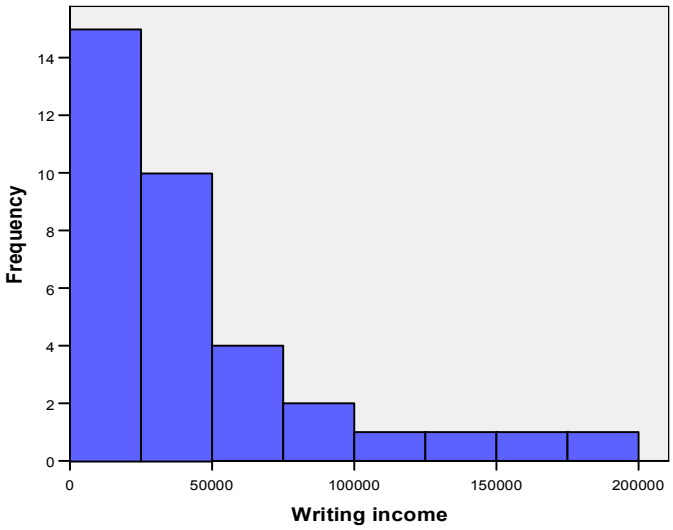


Table 8.39 GERMAN TOTAL WRITING INCOME (AUDIO-VISUAL WRITERS), 2005

	All	*Male*	*Female*
Valid responses	35	25	10
Mean (€)	44,046	46,304	38,400*
Median (€)	30,000	40,000	18,000
Coefficient of variation (%)	99.6	88.3	136.8
GINI COEFFICIENT	**0.47**		



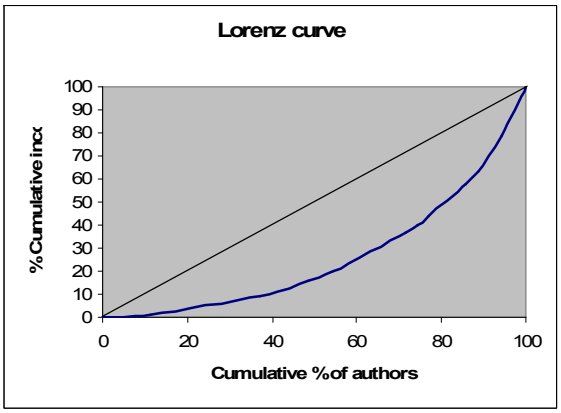
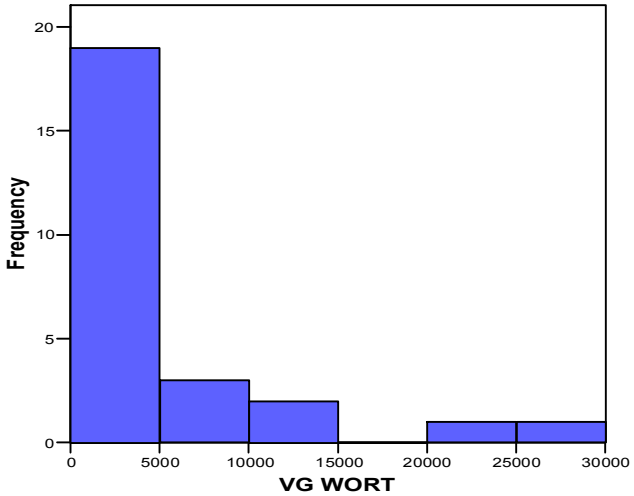


Table 8.41 GERMAN TOTAL VG WORT INCOME (AUDIO-VISUAL WRITERS), 2005

	All	*Male*	*Female*
Valid responses	26	18	8
Mean (€)	4,400*	3,963*	5,382*
Median (€)	1,967	2,250	750
Coefficient of variation (%)	154.7	118.8	194.9
GINI COEFFICIENT	**0.61**		



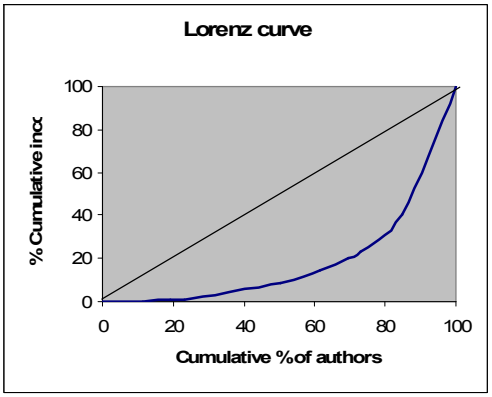


Table 8.42 GERMAN TOTAL GRANTS INCOME (AUDIO-VISUAL WRITERS), 2005

	All	*Male*	*Female*
Valid responses	0	0	0
Mean (€)	N/A	N/A	N/A
Median (€)	N/A	N/A	N/A
Coefficient of variation (%)	N/A	N/A	N/A
GINI COEFFICIENT	N/A		

Table 8.43 GERMAN TOTAL HOUSEHOLD INCOME (AUDIO-VISUAL WRITERS), 2000

	All	*Male*	*Female*
Valid responses	33	23	9
Mean (€)	59,591	66,043	48,667*
Median (€)	50,000	56,500	20,000
Coefficient of variation (%)	91.6	79.5	126.1

Table 8.44 GERMAN TOTAL INDIVIDUAL INCOME (AUDIO-VISUAL WRITERS), 2000

	All	*Male*	*Female*
Valid responses	34	24	10
Mean (€)	51,264	54,458	43,600*
Median (€)	42,500	50,000	20,000
Coefficient of variation (%)	90.7	80.0	125.2

Table 8.45 GERMAN TOTAL WRITING INCOME (AUDIO-VISUAL WRITERS), 2000

	All	*Male*	*Female*
Valid responses	31	21	10
Mean (€)	48,953	53,655	39,080*
Median (€)	40,000	50,000	8,750
Coefficient of variation (%)	98.3	81.8	146.6

Table 8.47 GERMAN TOTAL VG WORT INCOME (AUDIO-VISUAL WRITERS), 2000

	All	*Male*	*Female*
Valid responses	22	17	5
Mean (€)	7,769*	8,393*	5,646*
Median (€)	3,350	3,500	2,000
Coefficient of variation (%)	213.2	222.1	115.7

Table 8.48 GERMAN TOTAL GRANTS INCOME (AUDIO-VISUAL WRITERS), 2000

	All	*Male*	*Female*
Valid responses	0	0	0
Mean (€)	N/A	N/A	N/A
Median (€)	N/A	N/A	N/A
Coefficient of variation (%)	N/A	N/A	N/A

8.5 Income by age group

Table 8.49 GERMAN TOTAL HOUSEHOLD INCOME BY AGE GROUP (FULL SAMPLE), 2005

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	10	47	55	40	25
Mean (€)	28,294*	35,696	52,010	52,787	26,837
Median (€)	26,105	30,000	40,000	40,000	25,000
Coefficient of variation (%)	65.4	73.3	100.9	79.8	44.3

Table 8.50 GERMAN TOTAL INDIVIDUAL INCOME BY AGE GROUP (FULL SAMPLE), 2005

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	12	50	57	40	26
Mean (€)	19,670	28,169	36,937	30,315	20,844
Median (€)	20,500	25,000	25,000	28,197	18,278
Coefficient of variation (%)	55.1	79.1	96.6	96.6	66.8

Table 8.51 GERMAN TOTAL WRITING INCOME BY AGE GROUP (FULL SAMPLE), 2005

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	12	48	57	40	28
Mean (€)	12,868*	18,667	24,666	22,313*	8,925*
Median (€)	10,800	12,411	12,000	15,300	4,500
Coefficient of variation (%)	79.5	113.0	133.6	129.3	122.6

Table 8.53 GERMAN TOTAL VG WORT INCOME BY AGE GROUP (FULL SAMPLE), 2005

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	7	37	46	29	21
Mean (€)	563*	710	2,392*	1,918*	965*
Median (€)	250	450	650	1,000	260
Coefficient of variation (%)	114.0	108.5	206.4	204.1	150.6

Table 8.54 GERMAN TOTAL GRANTS INCOME BY AGE GROUP (FULL SAMPLE), 2005

Age group	*25-34*	*35-44*	*45-54*	*55-64*	*65+*
Valid responses	7	8	6	3	0
Mean (€)	4,016*	3,664	3,877*	11,100*	N/A
Median (€)	3,000	3,250	2,150	10,000	N/A
Coefficient of variation (%)	68.4	49.4	100.9	75.7	N/A

8.6 Writing income as a % of other income

Table 8.55 CONTRIBUTION OF WRITING INCOME TO TOTAL INDIVIDUAL INCOME IN GERMANY (FULL SAMPLE), 2000

Percentage of authors for whom writing income contributes:	*% of authors*
More than 50% of total individual income	63.1
More than 75% of total individual income	52.9
More than 90% of total individual income	45.5
100% of total individual income	40.1

9.1 Professional authors

Table 9.1 Do you have an agent?

(a) UK (professional authors)

	Number of authors	*% of total*
NO	339	56.5
YES	261	43.5
Total	600	100.0

(b) Germany

	Number of authors	*% of total*
NO	203	85.3
YES	35	14.7
Total	238	100.0

Table 9.2 Do you take legal/professional advice before signing a publishing/production contract?

(a) UK (professional authors)

	Number of authors	*% of total*
Never	193	34.3
Yes, sometimes	210	37.4
Yes, as a matter of course	159	28.3
Total	562	100.0

(b) Germany

	Number of authors	*% of total*
Never	81	34.3
Yes, sometimes	116	49.2
Yes, as a matter of course	39	16.5
Total	236	100.0

Table 9.3 Have you succeeded in changing the terms of a contract you were offered in 2005?

(a) UK (professional authors)

	Number of authors	*% of total*
NO	267	56.9
YES	202	43.1
Total	469	100.0

(b) Germany

	Number of authors	*% of total*
NO	122	59.8
YES	82	40.2
Total	204	100.0

Table 9.4 Have you received advances?

(a) UK (professional authors)

	Number of authors	*% of total*
NO	104	18.3
YES	464	81.7
Total	568	100.0

(b) Germany

	Number of authors	*% of total*
NO	127	55.9
YES	100	44.1
Total	227	100.0

Table 9.5 What is your usual royalty rate?

(a) UK (professional authors)

Mean	10.07
Minimum	0
Maximum	70
Valid responses	373

(b) Germany

Mean	9.05
Minimum	0
Maximum	40
Valid responses	119

Table 9.6 Do you assert your moral rights?

(a) UK (professional authors)

	Number of authors	*% of total*
Never	109	20.0
Yes, sometimes	82	15.0
Yes, as a matter of course	355	65.0
Total	546	100.0

(b) Germany

	Number of authors	*% of total*
Never	N/A	N/A
Yes, sometimes	N/A	N/A
Yes, as a matter of course	N/A	N/A
Total		100.0

Table 9.7 Have you ever had a dispute with a publisher over moral rights?

(a) UK (professional authors)

	Number of authors	*% of total*
NO	397	88.6
YES	51	11.4
Total	448	100.0

(b) Germany

	Number of authors	*% of total*
NO	169	75.4
YES	55	24.6
Total	224	100.0

Table 9.8 What proportion of your works are currently available on the internet?

(a) UK (professional authors)

Percentage of works	*Number of authors*	*% of total*
0%	318	62.8
1 – 10%	78	15.4
10 – 40%	31	6.1
40 – 60%	18	3.6
60 – 90%	18	3.6
90 – 100%	43	8.5
Total	506	100.0

(a) Germany

Percentage of works	*Number of authors*	*% of total*
0%	118	56.2
1 – 10%	58	27.6
10 – 40%	20	9.5
40 – 60%	6	2.9
60 – 90%	2	1.0
90 – 100%	6	2.9
Total	210	100.0

Table 9.9 Have you received remuneration for Internet use?

(a) UK (professional authors)

	Number of authors	*% of total*
NO	233	85.3
YES	40	14.7
Total	273	100

(b) Germany

	Number of authors	*% of total*
NO	167	90.8
YES	17	9.2
Total	184	100.0

Table 9.10 Has your personal negotiating position improved over the last five years?

(a) UK (professional authors)

	Number of authors	*% of total*
Improved	125	24.2
No change	244	47.2
Worsened	148	28.6
Total	517	100.0

(b) Germany

	Number of authors	*% of total*
Improved	46	20.6
No change	91	40.8
Worsened	86	38.6
Total	223	100.0

Table 9.11 Has the negotiating position of writers in general improved over the last five years?

(a) UK

	Number of authors	*% of total*
Improved	34	8.0
No change	134	31.7
Worsened	255	60.3
Total	423	100.0

(b) Germany

	Number of authors	*% of total*
Improved	15	7.7
No change	32	16.3
Worsened	149	76.0
Total	196	100.0

9.2 Audio-visual authors

Table 9.12 Do you have an agent?

(a) UK (audio-visual writers)

	Number of authors	*% of total*
NO	42	37.5
YES	70	62.5
Total	112	100.0

(b) Germany (audio-visual writers)

	Number of authors	*% of total*
NO	26	66.7
YES	13	33.3
Total	39	100.0

Table 9.13 Do you take legal/professional advice before signing a publishing/production contract?

(a) UK (audio-visual writers)

	Number of authors	*% of total*
Never	37	34.9
Yes, sometimes	33	31.1
Yes, as a matter of course	36	34.0
Total	106	100.0

(b) Germany (audio-visual writers)

	Number of authors	*% of total*
Never	7	18.9
Yes, sometimes	14	37.8
Yes, as a matter of course	16	43.2
Total	37	100.0

Table 9.14 Have you succeeded in changing the terms of a contract you were offered in 2005?

(a) UK (audio-visual writers)

	Number of authors	*% of total*
NO	47	51.1
YES	45	48.9
Total	92	100.0

(b) Germany (audio-visual writers)

	Number of authors	*% of total*
NO	15	44.1
YES	19	55.9
Total	34	100.0

Table 9.15 Have you received advances?

(a) UK (audio-visual writers)

	Number of authors	*% of total*
NO	31	31.3
YES	68	68.7
Total	99	100.0

(b) Germany (audio-visual writers)

	Number of authors	*% of total*
NO	29	76.3
YES	9	23.7
Total	38	100.0

Table 9.16 What is your usual royalty rate?

(a) UK (audio-visual writers)

Mean	11.30
Minimum	2.5
Maximum	70
Valid responses	43

(b) Germany (audio-visual writers)

Mean	8.09
Minimum	0
Maximum	10
Valid responses	11

Table 9.17 Do you assert your moral rights?

(a) UK (audio-visual writers)

	Number of authors	*% of total*
Never	26	26.3
Yes, sometimes	21	21.2
Yes, as a matter of course	52	52.5
Total	99	100.0

(b) Germany (audio-visual writers)

	Number of authors	*% of total*
Never	N/A	N/A
Yes, sometimes	N/A	N/A
Yes, as a matter of course	N/A	N/A
Total		100.0

Table 9.18 Have you ever had a dispute with a publisher over moral rights?

(a) UK (audio-visual writers)

	Number of authors	*% of total*
NO	62	89.9
YES	7	10.1
Total	69	100.0

(b) Germany (audio-visual writers)

	Number of authors	*% of total*
NO	23	62.2
YES	14	37.8
Total	37	100.0

Table 9.19 What proportion of your works are currently available on the internet?

(a) UK (audio-visual writers)

Percentage of works	*Number of authors*	*% of total*
0%	62	68.9
1 – 10%	14	15.6
10 – 40%	6	6.7
40 – 60%	2	2.2
60 – 90%	2	2.2
90 – 100%	4	4.4
Total	90	100.0

(a) Germany (audio-visual writers)

Percentage of works	*Number of authors*	*% of total*
0%	28	77.8
1 – 10%	5	13.9
10 – 40%	1	2.8
40 – 60%	2	5.2
60 – 90%	0	0
90 – 100%	0	0
Total	36	100.0

Table 9.20 Have you received remuneration for Internet use?

(a) UK (audio-visual writers)

	Number of authors	*% of total*
NO	48	88.9
YES	6	11.1
Total	54	100

(b) Germany (audio-visual writers)

	Number of authors	*% of total*
NO	27	93.1
YES	2	6.9
Total	29	100.0

Table 9.21 Has your personal negotiating position improved over the last five years?

(a) UK (audio-visual writers)

	Number of authors	*% of total*
Improved	23	24.5
No change	43	45.7
Worsened	28	29.8
Total	94	100.0

(b) Germany (audio-visual writers)

	Number of authors	*% of total*
Improved	5	13.9
No change	13	36.1
Worsened	18	50.0
Total	36	100.0

Table 9.22 Has the negotiating position of writers in general improved over the last five years?

(a) UK (audio-visual writers)

	Number of authors	*% of total*
Improved	7	8.8
No change	26	32.5
Worsened	47	58.8
Total	80	100.0

(b) Germany (audio-visual writers)

	Number of authors	*% of total*
Improved	1	2.9
No change	1	2.9
Worsened	33	94.3
Total	35	100.0

9.3 Contract data related to income (t statistics)

Table 9.23 Mean Writing Incomes of Writers With and Without Agents in the UK (Professional Authors), 2004-5, and Germany, 2005

(a) UK (professional authors)

Do you have an agent?	*Valid responses*	*Mean writing income (£)*
NO	284	17,093
YES	237	41,417
t statistic		4.56***

(b) Germany

Do you have an agent?	*Valid responses*	*Mean writing income (€)*
NO	155	17,633
YES	32	27,769
t statistic		2.04**

***Significant difference at the 1% level

** Significant difference at the 5% level

* Significant difference at the 10% level

Table 9.24 Mean Writing Incomes of Writers With and Without Contractual Changes in the UK (Professional Authors), 2004-5, and Germany, 2005

(a) UK (professional authors)

Have you succeeded in changing the terms of a contract in 2005?	*Valid responses*	*Mean writing income (£)*
NO	245	22,950
YES	180	40,507
t statistic		2.87***

(b) Germany

Have you succeeded in changing the terms of a contract in 2005?	*Valid responses*	*Mean writing income (€)*
NO	95	13,080
YES	76	28,964
t statistic		3.73**

Table 9.25 Mean Writing Incomes of Writers With and Without Advances in the UK (Professional Authors), 2004-5, and Germany, 2005

(a) UK (professional authors)

Have you received advances?	*Valid responses*	*Mean writing income (£)*
NO	81	18,662
YES	417	30,376
t statistic		2.38**

(b) Germany

Have you received advances?	*Valid responses*	*Mean writing income (€)*
NO	94	18,405
YES	84	20,789
t statistic		0.61

Table 9.26 Mean Writing Incomes of Writers With and Without Publishing Disputes over Moral Rights in the UK (Professional Authors), 2004-5, and Germany, 2005

(a) UK (professional authors)

Have you ever had a dispute with a publisher over moral rights?	*Valid responses*	*Mean writing income (£)*
NO	353	31,691
YES	40	34,732
t statistic		0.45

(b) Germany

Have you ever had a dispute with a publisher over moral rights?	*Valid responses*	*Mean writing income (€)*
NO	138	17,586
YES	42	25,863
t statistic		1.80*

APPENDIX 1: Glossary of statistical terms

Coefficient of variation (CV)
The coefficient of variation is a measure of relative dispersion, calculated by expressing the standard deviation as a percentage of the mean. The greater the coefficient of variation, the greater the variability of income.

Gini Coefficient
The Gini Coefficient is calculated as a ratio of the areas defined by the Lorenz curve. A Gini Coefficient of 1 means that one member of the population earns all the income ("perfect concentration"). A Gini Coefficient of 0 means that every member of the population earns the same income ("perfect equality").

Mean
Commonly known simply as "average", it is defined as the total of a distribution of values divided by the number of values.

Median
The mid-point in a distribution of values which has been arranged in size order, also known as the 50th percentile. In an analysis of incomes, it represents the earnings of a "typical" member of the population (i.e. half the population earns less than the median). In a Lorenz curve diagram, the median can be identified by the 50% mark on the horizontal x-axis.

Lorenz curve
The Lorenz curve was developed by Max O. Lorenz as a graphical representation of income distribution: "Methods for measuring the concentration of wealth", *Publications of the American Statistical Association* 9 (1905): pp. 209-219. A Lorenz curve plots cumulative percentage incomes against cumulative percentage population. It represents a series of statements such as: "the bottom 20% earn 10% of total income"; "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.

Population
The complete set of people (or any collection of items) under consideration.

Sample
A sub-set of the population that is selected for research.

Standard deviation
The standard deviation measures how tightly the various values are clustered around the mean in a set of data. When the data points are "bunched together" the standard deviation is small.

T-statistic
The t-statistic tests for the ratio of a coefficient to its standard error.
***Significant difference at the 1% level
** Significant difference at the 5% level
* Significant difference at the 10% level

APPENDIX 2: UK Questionnaire

APPENDIX 3: German Questionnaire

The Centre for Intellectual Property Policy & Management (www.cippm.org.uk), located in the Business School /Law School at Bournemouth University, is one of the premier intellectual property research centres with an international track record of empirical research. Past project funding has come from AHRC, Arts Council, Leverhulme Trust, ESRC, European Commission, European Patent Office, Social Science Research Council (NY), Swiss Federal IP Institute and the UK Patent Office.

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