**ROYALTIES
HOW AND WHEN THEY ARE CALCULATED**

Updated: 11-23-23

Royalties can often be the least understood, most distrusted, and frequently questioned aspect of the relationship between author and publisher. This document attempts to clarify the misconceptions that we have seen in this area.

**WHEN ARE ROYALTIES CALCULATED**

Royalties are calculated and entered into the royalty account of the author at the time of sale to the bookseller. Where confusion arises is when a bookseller holds the book in inventory for a while (pending hoped-for sales) and then sells the book. That book sale by the bookseller is not a royalty point for the author since the author was paid (into the royalty account, which, at the appointed time – see the Timetable for Royalties document – will be paid out as part of the total royalties earned during a specific period of time (for us that period is the calendar year; total royalties for a calendar year are paid out in a single check during the following spring, with an exception being made for earlier payouts for books earning royalties in excess of $600 in a quarter).

**HOW ARE ROYALTIES CALCULATED**

Paperback and hard cover book royalties are calculated differently from ebook royalties. The royalty percentages for all our authors are, at this point, identical.

Paperback and hard cover book royalties are 10% on list (this is the price that the book is listed at in the distributor’s catalogue). If a bookseller or we sell the book at a lower price, the author still receives 10% of the list price. In general, given print costs and middle-man (distributor, bookseller) discounts, 10% on list works out approximately to 50% on net (net = revenue minus all costs).

E-book royalties are calculated in two ways: (1) books sold and (2) pages read. We get royalty reports from booksellers as total $$ figures, not total books sold figures. Therefore, we split the royalties on e-books 50/50 with authors.

**WHEN ARE ROYALTIES PAID**

This document does not discuss the timetable for distribution of royalties. Please see the timetable document at this site for that information. The timetable includes timing of royalty statements, which generally precede payment by 1-2 months, and the timing of issuance of royalty checks.