

N I N C

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Show Me the Money: Observations & Trends

BY BRENDA HIATT

As many of you probably know, for the past dozen years or more, I've been conducting surveys on author earnings and sharing the results on my website. For the first ten of those years, I just did one survey, breaking the results down by publisher (whether large, small, or e-only) in terms of average and median advances and earnouts, along with typical royalty rates for each publisher.

A couple of NINC conferences ago, several people pestered me to add indie e-published books to my survey. I agreed that would be extremely useful information, but it wasn't easy to come up with parameters for such a survey since my usual questions obviously wouldn't work. With some input from other authors, I finally came up with a list of questions, put out my first call for data, and in December 2011 I shared the first, very preliminary report on my website. (For those who'd like to contribute to future surveys, both traditional and indie, please see the lists of questions at my website: <http://brendahiatt.com>.)

Now that I've continued with both surveys for another year and a half, I'd like to share some of the trends I'm noticing, along with a few actual numbers.

As more and more readers buy tablets and other e-reading devices, sales of fiction have gravitated more and more from print to electronic formats, as has been trumpeted all over the place for the past year or two. At first glance, this might seem to be good news even for traditionally published authors, since electronic royalty rates tend to be at least a little bit higher than traditional print rates. The so-called "industry standard" of 25% of net receipts still adhered to by the biggest publishers is of course only a *tiny* bit better than 8-10% of cover, not to mention highway robbery . . . but I digress. Most smaller publishers, at least, are paying substantially higher e-royalty rates, varying from 35% of cover to 50% of net receipts.

Given that, one might think that author earnings from traditional publishers would be rising . . . but the opposite seems to be the case, when one discounts the occasional newsworthy huge advance (nowadays, often when an already mega-selling indie author is courted by traditional houses). Print runs have fallen drastically across the board (not unexpected, given the rise of e-books), but, at least on royalty statements, electronic royalties have by no means risen enough to make up the difference in most cases reported to me. Whether this is a function of inept marketing, shady accounting, or other factors, it's bad news for

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Introducing...

The following authors have applied for membership in NINC and are now presented by the Membership Committee to the members. If no legitimate objections are lodged with the Membership Committee within 15 days of this Nink issue, these authors shall be accepted as members of NINC. For further information or to recommend eligible writers, contact:

Membership Chair: Tracy Higley

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NINC has room to grow...

Recommend membership to your colleagues.

Prospective members may apply online at

<http://www.ninc.com>. Refer members at ninc.com.

Go to Members Only, "Member Services" and click

"Refer a New Member to NINC." Take NINC

brochures to conferences. Email Pari Taichert with your

mailing address and requested number of booklets:

ptaichert@comcast.net.

NINC Statement of Principle: Novelists, Inc., in acknowledgment of the crucial creative contributions novelists make to society, asserts the right of novelists to be treated with dignity and in good faith; to be recognized as the sole owners of their literary creations; to be fairly compensated for their creations when other entities are profiting from those creations; and to be accorded the respect and support of the society they serve.

Show Me the Money

Continued from page 1 ▶ authors who are solely traditionally publishing.

But before you get depressed by the above, let me talk about my *other* survey, the indie one. Over the past two-plus years, increasing numbers of authors have been putting their books up on Amazon, BN.com, Apple, and elsewhere, either completely on their own or by paying someone to prepare and upload. During the first year or so of this “revolution,” those books were mainly reverted backlist by traditionally published authors or frontlist by never-before-published authors. Now, though, I’m seeing an increasing number of “hybrid” authors who are self-publishing both backlist and frontlist while simultaneously writing for traditional publishers. Also, quite a lot of authors who started indie-pubbing with only their backlist have now begun self-publishing their newer work with apparently no intention of ever signing another traditional contract.

Okay, time for some numbers, which will go a long way toward explaining that last category of authors.

While doing my most recent update of my traditional publisher survey, average and median advances held fairly steady. However, average and median earnouts did not. Except in very few cases (mostly smaller and e-only publishers) those numbers were lower than when I last updated in October, and I’d noticed the same trend during *that* update. And the one before. I drop out the older data (anything pre-2002 this time around). If I were to keep only the last five years of data, the downward trend would be even more striking. In other words, the only reason the averages haven’t fallen further is that the numbers are being propped up, to some extent, by older data that predates the e-revolution.

On the indie side, though, I’m seeing exactly the reverse (well, no advance numbers, obviously). One might think that with so many authors jumping on the indie bandwagon the market would be glutted, leading to smaller per-author and per-title earnings. *Au contraire!* It may happen in the future, but I’m definitely not seeing it just yet. I’ve realized one reason I don’t get more responses to that survey is that coming up with earnings per title is a pain in the behind. (This was driven forcefully home when I separated out my *own* earnings that way, at which point I was amazed and gratified that *anyone* was taking the time to send me their figures!) Anyway, because I wanted a snapshot of where things are now, with as representative (and large) a sample as I could get in a hurry, I recently did a “quick and dirty” indie survey with just three questions: total indie earnings for 2012 (figuring people would have that handy right after filing taxes), how many total books they had up by the end of 2012 (broken into frontlist and backlist), and what genre they primarily write in. Are you ready?

Thirty-one different authors sent info (I only put this call for info out on a couple of loops) representing 367 indie-published titles (about 2/3 backlist). Average 2012 indie-only earnings: a whopping \$125,000 per author, averaging out to over \$10,000 per title. Median earnings: \$88,000 per author. (Without specific per-title earnings, I can’t calculate a median number there.) Those 2012 earnings ranged from the mid four figures per author to the mid six figures for a couple of respondents.

Draw from this what conclusions you will.

In the next month or so, Novelists, Inc. will be conducting its own author survey, something it does every three years or so anyway. Previously, that survey has only touched on money by asking whether respondents “can make a living” from their writing. This time, however, we are going to attempt to determine (anonymously, of course!) just how *much* money our members are making from both traditional and indie publishing. Please participate once the survey goes live on the NINC website, since this will be incredibly useful information for all of us. (Again, it will be set up so no names are attached to any figures.)

They say knowledge is power. I, for one, have never felt more powerful as an author since selling my very first book back in 1990. I hope many of you are starting to feel the same way.

Brenda Hiatt is the author of 16 novels to date. She is now indie publishing her historical backlist as she continues to write and publish new books, her latest a mystery, Out of Her Depth, from Bell Bridge Books. For the past dozen years, Brenda has also collected data on writers’ earnings, which she shares at her website, <http://brendahiatt.com>

Retro- Progresso

Lou Aronica's
Eye on
Industry



I was in a sales meeting with The Story Plant's distributor last week, speaking with them about our key fall titles. Of course, we discussed the various e-book promotions that we wanted the books to be featured in, but the emphasis of the conversation was on something we hadn't discussed in years—growing the presence of our featured books in physical bookstores.

Later that week, I was reviewing the text file for one of our upcoming titles before I sent it to the author and the proofreader. As I did, I realized that I was no longer comfortable with this part of the production process being reviewed on screen, so I sent the author printed pages and instructed the proofreader that I would be sending her printed pages as well and that I wanted her corrections to come back on paper.

Still later that week, I got together with the Story Plant team to dissect the meeting with the distributor and to formalize our plans for the fall. By the end of the meeting, we'd set in motion three digital initiatives we'd never employed before.

This was a more dramatic week than many, but hardly out of the ordinary. For some reason, though, this confluence of events caused me to identify a philosophy I'd unconsciously adopted long ago: a strong belief that the most effective way to make headway in publishing is to look backward and forward at the same time.

I've come to calling this philosophy "retro-progresso."

We've spent a great deal of time at NINC talking about the need for writers to embrace the future. I, of course, believe this wholeheartedly. The simple fact is that anyone—in any field—who is committed to standing their ground is likely to get trampled. Writers are succeeding with tools that didn't even exist two years ago, and many of the old techniques for getting attention for books are useless at this point. Is anyone still having coffee and donuts with truck drivers? Many of you probably don't even know what I'm talking about. Innovation is critical at every level of the business from the way fiction is presented to readers to the way we find those readers.

However, there is much to be learned from the past as well. Some things that have always worked do so because they are fundamental to the experience. Why do physical bookstores continue to be important to our business? Because a huge number of readers prefer that shopping experience, and discovery is possible at an entirely different level there than it is with even the best online retailers. Why is on-page copyediting and proofreading so important? Because one reads differently on a screen than one does on a printed page, and when you go through the entire proofing process on screen, more mistakes get through.

These are only two examples, those highlighted by my experiences last week. I can think of many cases where retro makes sense, but one leaps right to the top. I'm finding myself increasingly retro in my thinking when it comes to editorial output. Yes, the market is moving faster than ever, and book buyers (especially e-book buyers) seem to have shorter and shorter memories, but I don't think the best way to address this long term is to flood the market with product—unless you happen to be one of those rare writers who can deliver quality in bulk. Why? Because it attempts to address a marketing problem by slowly alienating the marketplace. Readers expect the books they read to be worth their time. When they decide that a writer is no longer worth their time, they quit that writer. I think it's interesting to note that some of the writers who made such a huge splash at the beginning of the digital revolution by publishing in bulk aren't selling particularly well

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A Word about First Word

BY SANDRA KITT, CONFERENCE PUBLICITY COORDINATOR

This October, for the 24th Annual NINC Conference, we will get things started with the Thursday open-to-all session now officially known as **First Word**. It is our hope to get all attendees in the mood for the weekend to come by jumping in with a full day of programming that will take us back to our basics. That is, back to how all of us got started, of course, with the writing itself. After all, nothing else can happen until our stories are first committed to paper...or screen.

NINC is reminding members that one of our first guest speakers to commit to the conference and, in particular, **First Word** is Lisa Cron. Lisa is a writing instructor, story consultant, and author. She's spent a decade in publishing and has been a literary agent, television producer, and story analyst for Hollywood studios. She teaches in the world-renowned UCLA Extension Writers' Program and helps writers, nonprofits, and entrepreneurs wrangle the story they're telling onto the page. She's the author of *Wired for Story: The Writer's Guide to Using Brain Science to Hook Readers from the Very First Sentence*.

Here is what Lisa has to say about her program for **First Word** on Thursday, October 24th:

"Every writer wants two things: to tell a story that hooks readers and never lets them go, and to find a way to accomplish that without going through the long slog of endlessly writing draft after draft. This workshop will give you actionable ways to meet both goals. We'll examine the five steps to take before you start writing that will save you months (or years) of hard work, not to mention heartache and frustration. Instead of rooting around in your plot for the story, you'll unearth the key story elements



Lisa Cron, author of *Wired for Story*

beneath the plot that bring it to life, drive it forward, and give it meaning. These elements have little to do with the surface plot or “writing well” and everything to do with what we’re hardwired to respond to in every story we read. A story achieves greatness when it intrigues the brain, so learning what your reader’s brain craves, and why, will allow you to zero in on what your story is *really* about before you write word one (or, if you’re already started, before you write another word). You’ll not only produce a more powerful novel, chances are you’ll drastically reduce your rewrite time. To make the most of this workshop, *bring questions about a novel that isn’t working, a novel that’s still in the early stages, or a novel you want to take from zero to 60.*”

Lisa’s workshop will be a fabulous opportunity to think differently about not only what we write, but how—out of the box or with another part of our brain and imagination. *Plan to be there!*

Eye on Industry...

Continued from page 4 ▶ anymore. Readers got tired of them, and no amount of value pricing and newsletter promotion was going to revitalize their interest.

To me, this is where a retro-progresso philosophy has tremendous value. The retro approach to editorial output is for a writer to take the time to make a novel as strong as it can be. Does that create a marketing problem? If so, then that’s where the progresso part kicks in. The job is to use the tools available and to access any tools that become available (or to try to invent a few) to keep your name and your work in front of readers. In that way, everyone involved in the chain—from the writer to the reader—gets the most out of the experience.

I can think of dozens of ways in which retro-progresso applies to all of us. Now that I have a name for this mode of thinking, I’ll be making an ongoing effort to be as progressive as I possibly can in all of my publishing efforts while at the same time always being conscious of the times when the legacy approach is the absolute best.

Lou Aronica is a New York Times-bestselling author of fiction and nonfiction, former President of Novelists Inc., former Publisher of Avon Books, and current Publisher of The Story Plant and Fiction Studio Books. You can reach Lou at laronica@fictionstudio.com.

Business Briefs

Compiled by Sally Hawkes

Marketplace Fairness Act of 2013 (S.743) Moves to the House

The U.S. Senate voted 69 to 27 to pass the bill for state taxes paid by online sellers with \$1 million plus annual gross sales. Support for the bill comes from the American Booksellers Association, the National Retail Federation, and the Retail Industry Leaders Association. President Obama has promised to make the bill law if the House passes the bill. That would mean sales tax for online sellers in early 2014; however, passage by the House isn’t certain. *PW Daily*

Look to Riffle for Finding Good Books <http://www.rifflebooks.com/>

Riffle is the latest book discovery social media option. It began as an invitation-only site, but now is open to the public as of early May. Editors have been assigned to 23 categories. There are help content guides as well as bloggers, who use Twitter and Facebook to push content. With Goodreads owned by Amazon, Riffle will add reviews and ratings that were previously not included. Those used to Twitter or Pinterest will find a comfortable experience. Sign-in can be done from Twitter or Facebook accounts. *PW Daily*

The Writing Life during Life's Greatest Challenges

BY JOANN GROTE

“Live long enough, and you’ll get most everything thrown in your face at one time or another,” Kasey Michaels told me. During and after traumatic events, daily life may become overwhelming; maintaining a creative life and career may feel impossible. Five NINC members shared their experiences in the hope that by doing so they will help other members.

Please share briefly the situation(s) you experienced or are experiencing.

Kasey Michaels: The death of a parent; serious illness of child, spouse; personal illness, major surgery; caring for elderly parents; and other events.

Gina Wilkins: Most notably and not in chronological order: a daughter critically injured in a chemistry lab accident and hospitalized for several weeks; a plagiarism case in which one of my books was republished under another “author’s” name; the unexpected death of my father-in-law; my mother survived a second case of breast cancer and four years later succumbed to pancreatic cancer after a grueling eight month’s illness; a tornado tore off part of our house, leading to an ugly legal fight with a contractor; my husband underwent unexpected heart stent surgery; and our older daughter who lived 2500 miles away from us survived a massive brainstem stroke at age 30, requiring full-time care from us for several months afterward.

Laura Phillips: I had three children in early elementary school when I essentially lost the use of my hands, and the rest of me was barely functioning. I couldn’t type. I couldn’t hold a pen long enough to write a check. This was in the early ’90s, long before online bill-paying and voice recognition software were mainstream. I could barely walk from one end of the house to the other. The eventual diagnosis was a combination of fibromyalgia, inflammation of the flexors in my hands, and arthritis. It took months to regain normal function in my hands and years to get the fibromyalgia under control. I did, though, just in time to take on the long-term care of my mother, who’d just had major surgery.

Dianne Despain: In May 2012 I was diagnosed with uterine cancer that had spread to my ovaries and cervix. I’d had no symptoms, no warnings.

Sharon DeVita: My only son died suddenly in 2002 at age 21.

Many NINC members support themselves and/or their families with their writing. In addition to surviving a traumatic experience emotionally and physically, there is a need to survive financially and to keep one’s career intact at a time when one’s energies and attention are focused on more immediate—often life and death—concerns.

Kasey: There aren’t many of us with a nice deep financial cushion to collapse in until the worst is over. The breadwinner is the breadwinner, even if he’s got both arms in casts or is caring for an ailing family member or trying to get past the death of a loved one. Nothing will ever again be even close to “all right” if the one who brings home the money stops bringing home the money. That leaves only one option: get back to work. You picked this job, this precarious life, and when it gets down to the nitty-gritty, it’s the life you love.

Were you writing on a contracted book at the time of the incident(s)? If so, did you assume you would meet all deadlines?

Kasey: Always, yes; a romantic comedy I had to return to within seven days of my mother’s sudden death, for instance. If I’d been working in an office, a department store or a hospital, I’d have had so many ▶

“bereavement” days and then I’d have had to return to work. That’s how I considered myself—a self-employed writer with a tough boss. The work became an escape, and the book was completed on time. I’ve had “life intrusions” that have kept me from finishing a book on time...but I always aim for completion on time.

Gina: I have been under contract for all of these events. To the best of my ability, I have tried to meet my deadlines. I’ve overestimated my abilities a few times, but I’ve managed to deliver fairly reliably through the challenges, so my agent and editors know I will do my best to uphold my obligations. I think it was Sidney Sheldon (but I can’t find it to confirm) who said, “Does a plumber have to be in the mood to plumb?” Writing is my job. I can’t just quit whenever life gets complicated.

Laura: Yes, and yes...and I was my own worst enemy in this. I’d never missed a deadline. By gritting my teeth and forcing myself to work through the pain, no matter what, I made the damage to my body worse, especially to my hands, which have never completely recovered.

Dianne: My book was due two months to the day after my surgery. Getting my book in on time is always important because I value my relationship with my publisher. While part of me believed I was some sort of superwoman who could bounce back at super human speed, the former critical care nurse in me was forced to get practical and anticipate the problems that could arise.

Sharon: I had just signed a four-book contract the week before my son’s death, and my first synopsis was due during the time I’d be in Chicago for my son’s services. It was already sent to my agent. I’d agreed to a contract, and I honor my professional commitments. I expected to do so this time, also.

Did you notify your editor/agent that an unavoidable complication had arisen that might impact the publication schedule? If so, what were the ramifications?

Kasey: I told them only if I thought I was not going to make the deadline. Otherwise, I just kept working/keep working. I tell my agent if I must, but mostly I keep my personal life private. My editor and agent don’t tell me their problems or say they can’t do their job because of personal problems. They’re professionals, and so are we.

Gina: I have stayed in close contact with my agent who has kept my editors informed when potential delays arose. I have never met with anything but generous support from my editors at Harlequin.

Laura: I did notify my editor when it became clear that I couldn’t meet my deadline. She was understanding and encouraging, but I still lost my slot in the publication schedule. Shortly after I delivered the re-writes, the line closed. I never managed to place that book elsewhere, though I still hope to resurrect the story in some form.

Dianne: I gave some thought to not telling my editor, but denial is the first stage of grief. Practicality took over, and I knew I needed to focus on what was ahead of me, including some pretty serious down time where, while my heart might be about the writing, I was pretty sure my physical self would not agree. I told my Mills & Boon editors as soon as I knew my surgery schedule. I asked for a two-month extension, and they gave it to me, but also let me know I could take as much time as I needed.

Sharon: My husband helped me compose an email to my agent after we heard of my son’s passing, notifying her of what had happened, asking her to notify my editor and to forward my completed proposal to my editor so I didn’t miss my deadline. She assured me she would do so. Two weeks after returning home from the funeral I learned my editor had never received my proposal, which was now two weeks late. I felt my agent should have confirmed delivery, but since she did not, I was unduly stressed over something that should have never happened.

My long-time editor called soon afterward to say she’d received the proposal I’d sent and approved it, but she was going to push all my deadlines off by several months. Now I realize my editor and publisher were giving me time to grieve and heal when I didn’t even realize I needed that time.

How do you decide whether/when to tell your editor/agent?

Kasey: I will tell them only if I can see, nope, ain’t going to make it this time. Then I do it in enough time for the editor to perhaps give me a new deadline while she takes care of projects from other writers, knowing that my project will be there, but not when first anticipated.

You've got a deadline. You're a professional. Nine times out of ten you'll find a way to meet it...which means you'll "sense" when/if you're not going to pull off that miracle this time. In that case, alert your agent/ editor immediately. Don't let it drag on with an "Oh, what will I tell them?" sword hanging by a thread over your head; that will just slow you down more.

If you know you're going to miss a deadline, make sure your editor knows at least six weeks before the original deadline. Giving the editor time to "juggle" as you plug along on the manuscript usually results in making the original pub date. Maybe there won't be time for as many galley proofs to go out to reviewers as you'd hoped—but the book will hit the shelves as planned, and that's big. Also big is showing your editor you are professional, that even when necessarily delayed, you know how to suck it up and get to work.

Gina: I don't tell my agent every minor setback in my life, but I share with her anything that could potentially affect my work. She is my partner in this business, and I rely on her to assist me as needed with problems I encounter. It seems best to me to give warning to the agent/editors if it's even a possibility that deadlines will have to be adjusted, both as a courtesy and to minimize potential complications with scheduling on their end of the publishing process.

As compassionate as your editor/agent may be about your problems, they also have responsibilities and obligations (and maybe crushing family issues of their own, so try not to complicate their lives more than necessary). Be as reliable as you can, keep them informed especially if you know you can't deliver, and be professional and polite in your dealings with them, regardless of your level of stress. They are your partners in this crazy business, not your adversaries (ideally, anyway).

Laura: The bottom line for me was professionalism. Once I knew I couldn't meet the deadline, I believed I should inform my editor, whom I considered a business partner, of facts that impacted our shared business. To not do so would invite more unpleasant consequences than doing so. I waited until I had facts, though, the most pertinent being that I could not meet the deadline due to circumstances beyond my control.

When to notify them depends on the situation, on the individual's relationship with the editor or agent, on how tight the publishing schedule is known to be, on how far behind the writer is on the project and whether catching up is possible or likely. Certainly, behaving in a businesslike manner includes informing business partners of unavoidable changes in the delivery schedules.

Dianne: During the worst medical diagnosis of my life, I had to make a potentially life-changing decision, and while I was busy with this, I couldn't write. Probably five days after the diagnosis I tried to knock out one sentence. It took an hour, because my mind was wandering. It was a wasted hour, because it was a terrible sentence. That's when I knew I could be in trouble if I didn't make other arrangements for my writing. I'm a practical person, which in the end rescued me from the denial, because that practical voice in my head kept telling me not to blow my career. As the employer of about a dozen people (my husband and I own a business) I know from the other side that it's always better to know as soon as possible so alternative arrangements can be made.

Sharon: I recommend you contact your agent and editor immediately. You aren't in a position to accurately judge how long the shock and grief are going to last or the exact toll they will take on you either physically or emotionally.

Since I had just signed a new contract before my son passed away, I knew I had to come home from the funeral and go right back to work. I went to my office every morning as if everything was normal and sat in front of my blank computer. And cried. Because not only had I lost my only son, but I'd apparently also lost my ability to write. Looking back, I should have had my husband call my editor, tell her what was going on, and request an extension. But again, I wasn't thinking clearly, and it simply never occurred to me.

So now, along with grief and pain, panic set in. I simply couldn't write. My husband encouraged me to see a therapist, who explained that while I'd lost the "voices and characters" that always spoke to me and made writing easy, I hadn't lost my years of experience or my practical knowledge of how to write a book. He encouraged me to use them to try to write my deadline books. And I did. It was tough and at times excruciating. I'd quite comfortably written four to five books per year for the past decade, but now after three books I was wiped out and requested another month extension, which my editor granted.

What do you perceive as the risks and repercussions of telling your editor/agent or not doing so?

Gina: My agent is my partner. I see no risk in frankly discussing any issues with her. ▶

Laura: I chose not to inform my editor years after the first event when I was ill and under contract again. The illness wasn't life-threatening—yet, though I was warned a few months delay in treatment could have been life-threatening. I was with a different publisher, but the senior editor from the first house was now with the second, and I felt the weight of that first “failure.” I believed I could deliver, even if I had to push myself harder than I should and set back my recovery because this time, at least, my hands weren't the issue. I believed that if I misgauged my capabilities and failed to deliver a second time that I'd be deemed too unreliable to be offered a contract again. But if I spoke up and warned them too soon, I'd damage my reputation, in house at least, and even if I ended up delivering on time, the damage would exist anyway because of the kernel of doubt that I'd planted.

Dianne: Had I not told my editors, they would have moved forward with their editorial schedule without a clue in the world I might not be able to fulfill my spot on it. Your editor and agent are making business decisions based on your ability to produce your book at a certain time. If something stops you from doing that, it's their right to know so they can make different arrangements.

Sharon: Although my editor was wonderful during the completion of the four-book contract I'd signed before my son's death, after the completion of that contract my publisher of 32 books in 35 years declined to sign me to another contract. They'd told me to take all the time needed and submit when I was ready; then for two years they turned down everything. Last year, I was ready to retire. Instead I submitted a completed manuscript to the e-publisher Musa. *The Estrogen Posse* was nominated for the Best Novel of 2011. I've sold seven more books to Musa. I thought my career was over, but the Universe had other plans.

Would you make the same choice if you found yourself in a traumatic situation in the future?

Kasey: Always, yes. We need time to get through crises...but saying it's different for writers, that we have a muse to contend with? We've got jobs, just like the rest of the world. We can't afford to treat ourselves as fragile, or more sensitive than others.

Gina: Would I ask for help if needed from my agent and/or editors? Absolutely.

Laura: It would depend on the situation, and the old saw about being older and wiser really does apply.

Dianne: I absolutely would.

Sharon: I would let the editor know, yes, but I would contact my editor myself or have a trusted person do it for me.

What advice do you have for other writers who might face similar situations?

Kasey: Don't ask “why me, why us”; that's a waste of time. It happened, now deal with it. One day at a time, sometimes one hour at a time, one step at a time. Looking at the “big picture” will paralyze you—just get through the day, and then the next one. It's like a book project; look at the whole thing at once, and the job is so intimidating, nothing gets done. Look at it chapter by chapter, or even page by page, and the mountain seems more manageable. It's not “what do I do the rest of my life?” but “what do I do next?” Then you do it. Then do the next thing. And the next. You have to keep taking steps, because that's the only way you're going to move forward.

Gina: My beloved mother had a favorite saying: “This, too, shall pass.” I keep that in mind whenever things seem darkest, reminding myself that life goes on, that there will be more good days. We keep plugging on because we have to—what other choice do we have? My family faces every challenge as much as possible with faith, optimism, and lots of humor—and I've learned that sometimes it's okay to cry. Or to ask for help (though that's not easy).

Writing is a way for me to deal with problems, and I find myself escaping into the stories in hospital waiting rooms, doctors' offices, and other places where I can scribble or type.

Break the work into smaller goals so you aren't overwhelmed.

When you need to unload, call another writer you trust (I have a few close writer friends I can tell anything to—and they've gotten me through more melt-downs than I can ever count). No one understands better. Then call your agent or editor, calmer and more prepared.

A mind in turmoil cannot be relied upon to remember everything. Make notes before you talk to your agent/editor, and keep the notes close by so you sound prepared. Be specific about what you need and what

you can do in return. Write down everything the other person says while you talk; you won't remember it all afterward. If your business is conducted through email rather than phone calls, read, double-check, triple-check, and maybe have someone else check everything before you hit "send." You know the old adage about once it's in writing....

Don't whine, don't rail against fate, don't whimper (save that for above-mentioned writer friends); simply state the situation, explain how it might affect your work, and request what you need. Then do your best to uphold your part of the deal.

Laura: Cut yourself some slack. Acknowledge you're not superhuman, and allow yourself to grieve a bit for what you've lost, even if it feels selfish. It's part of the coping process.

Try to be realistic. Pace yourself, and nourish your body to compensate for the extra stress. Spend time with people who make you laugh. When all else fails, remember that you're a writer. Even this, whatever it is that you're going through, qualifies as research, even if the IRS won't accept the expenses as deductions.

Dianne: For me, it was simply about getting through minute-to-minute at first. The further I got into the process the more I moved from minute-to-minute status to day-to-day. The most difficult thing was that I was a planner embarking on a journey without a plan. When you're hit with a cancer diagnosis, there's not much control over the long term, so what got me through was focusing on what I could control in the minute, hour, or day. It made my days more normal, and when your world is turning upside down, every last drop of normalcy you can find is worth it.

Give yourself time to adjust to the changes you're making, or will have to make. Initial thoughts and reactions aren't always the best ones. It's easy to deny, and some people do that for a long, long time, but eventually, real life kicks back in. As writers, I think we have to be well-rooted in the practical in order to spend our days in the worlds we create in our minds, and that innate practicality we possess will eventually snap us out of the denial and get us back on track. So, deny it at first, then cry if you need to, or get angry. Do whatever it takes to bring you back to the practicality inside you that makes you able to be the writer you are.

Sharon: Grief is not an overnight process, nor is shock, and they go hand in hand during any tragedy. You won't be thinking clearly. What you need more than anything is to be surrounded by people and professionals you trust *implicitly*. Understand and expect you will be totally vulnerable on every level. Your emotions will be raw; you will be in such pain that thinking coherently is nearly impossible. Making decisions that affect your career at that time is definitely not wise. That's why you need someone you trust implicitly, someone who knows you and what you want done.

You will not be able to make coherent decisions for yourself or for others for at least three to six months, so don't even try. Whether you think you'll be able to handle a personal appearance, a lecture, speech, book signing or whatever, *don't count on it*. Cancel and then reschedule if necessary, but don't put undue pressure on yourself or on others who are counting on you. Don't be afraid to be honest with people if you're having a difficult time. Ask for an extension if you need it and don't apologize for taking the time you need to heal.

And remember: If delays in your writing schedule result in a break with your publisher, you have options. If one publisher—or all publishers—don't like your work, you can publish your books yourself. You already have a built-in audience for your print books, so you are ahead of the game. This is a wonderful time for writers.

NOTE: Some of the contributors have written elsewhere of their experiences:

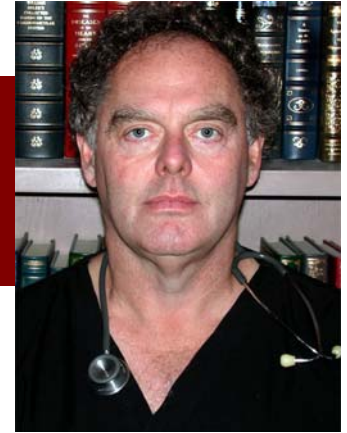
Dianne Despain (as Dianne Drake) on the February 4, 2013 NINC blog, "What Gets Us Through," <http://www.ninc.com/blog/index.php/archives/what-gets-us-through>;

Kasey Michaels on her website <http://www.kaseymichaels.com/about.html> and in the book *Or You Can Let Him Go*, Delacorte Press, as Kathryn Seidick.

Some of Sharon DeVita's responses are taken with her permission from her April 2004 Nink article, "Finding Joy in Your Writing After a Tragedy," http://www.ninc.com/members_only/newsletter/NINK_0404.pdf.

Forensic Files

By D. P. Lyle, MD



Could Death from Bleeding Be Delayed for Several Days after a Frontier Wagon Wheel Accident?

Q: My story takes place in a wagon train in the late 1800s. My character is dragged by a horse while crossing a river. He hits rocks and is bounced off the back wheel of a wagon. Of course the horse's hooves do damage as well. Three days later, he dies from massive bleeding from his internal injuries. This three-day delay followed by the sudden loss of blood is important to the story's timing, but is it realistic?

A: The answer to your question is yes.

This type of accident could, as you can imagine, result in all types of injuries. Broken bones, skull fractures, neck fractures, cracked ribs, punctured lungs, and intra-abdominal injuries (injuries inside the abdominal cavity). This last type of injury might serve you well.

A ruptured spleen or lacerated liver or fractured kidney would bleed into the abdominal cavity. Death could be quick or take days if the bleed was slow. There would be great pain, especially with movement or breathing, and the abdomen would swell. Also a bluish, bruise-like discoloration could appear around the umbilicus (belly button) and along the flanks. This usually takes 24 to 48 hours or more to appear. This occurs as the blood seeps between the "fascial planes." The fascia are the tough white tissues that separate muscles from one another. Blood seeps along these divisions and reaches the deeper layers of skin causing discoloration. But, these injuries wouldn't lead to external bleeding since the blood has no exit from the abdominal cavity.

However, if the injury was to the bowel, then external bleeding could occur. For blood to pass from the bowel, the bleeding would have to be within the bowel itself and not just in the abdomen somewhere. If the bowel were ruptured or torn so that bleeding occurred within the bowel, the blood would flow out rectally. But, blood in the bowel acts like a laxative so the bleeding would likely occur almost immediately and continue off and on until death, which in this situation would be minutes to hours to a day, two at the most. It would be less realistic for the bleeding to wait three days before appearing in this case. With one exception.

The bowel could be bruised and not ruptured or torn, and a hematoma (blood mass or clot) could form in the bowel wall. As the hematoma expanded, it could compromise the blood supply to that section of the bowel. Over a day or two, the bowel segment might die. We call this an "ischemic bowel." Ischemia is a term that means interruption of blood flow to an organ. If the bowel segment dies, bleeding would follow. This could allow a three-day delay in the appearance of blood.

In your scenario, the injuries would likely be multiple and so abdominal swelling, the discolorations I described, great pain, fevers, chills, even delirium toward the end, and finally bleeding could all occur. Not a pleasant way to die, but I would imagine this happened not infrequently in frontier days.

The victim would be placed in the bed of one of the wagons and comforted as best they could. He might be sponged with water to ease his fevers, offered water or soup, which he would likely vomit, and prayers would be said. They could have tincture of opium (a liquid) available and give him some. This would lessen the pain since it is a narcotic and would also slow the motility (movement) of the bowel and thus lessen the pain and maybe the bleeding.

Of course, during the time period of your story, your characters wouldn't know any of the internal workings of the injury as I have described. They would only know that he was severely injured and in danger of dying. Some members of the wagon train may have seen similar injuries in the past and may know just how serious the victim's condition is, but they wouldn't understand the physiology behind it. They might

even believe that after he survived the first two days he was going to live and then be very shocked when he eventually bled to death. Or they might understand that the bouncing of the wagon over the rough terrain was not only painful but also dangerous for someone in his condition. The train may be halted for the three days he lived or several wagons might stay behind to tend to him while the rest of the column moved on.

What Happens to a Baby that Is Shaken to Death?

Q: If a baby were shaken to death, what would the symptoms be? What would the cause of death be?

A: This situation is called Shaken Baby Syndrome. Babies are forcefully shaken as part of an overt child abuse situation or as the result of an angry, uninformed adult. Whether intentional or accidental, it is a form of child abuse. It is neither new nor rare. It was first reported by Dr. John Caffey in 1972, and as many as 50,000 cases are reported each year.

Infants have large heavy heads and weak, undeveloped neck muscles. Also, the developing brain is smaller than it will be when the child is grown. This means that infants have more space between the brain and the skull, which allows more movement of the brain within the skull whenever a violent force is applied. These anatomical realities set the stage for severe injury and death when a baby is subjected to violent shaking.

The brain sits within the skull and is surrounded by several layers of fibrous tissue, the most important being the dura mater. Cerebrospinal fluid flows around the brain and the dura and also serves to protect the brain. Thus, the brain is not “fixed” within the skull, but can “move” somewhat.

In acceleration-deceleration injuries, such as in falls, automobile accidents, and violent shaking, the brain can literally “bounce” against the skull. If a driver’s head hits the steering wheel, the skull stops instantly, but the brain will continue its forward motion until it strikes the skull. This is called a “coup” injury. The brain will then bounce off the frontal skull and bang against the back of the skull. This type of injury is called a “contrecoup” injury. Shaking is simply the rapid repetition of these movements. The brain is bounced back and forth between the front and the back of the skull.

As the brain bangs against the skull, it may be bruised or blood vessels may be damaged and result in bleeding within (intracerebral bleed) or around (subdural bleed) the brain. This is particularly true for infants because the smaller brain has more “play,” more room to move, so that the impacts against the skull are more powerful.

These types of brain injuries may lead to death, seizures, paralysis, loss of hearing, cerebral palsy, sucking and feeding disorders, a form of autism, behavioral problems, cognitive dysfunction, coma, a permanent vegetative state (prolonged, unresponsive coma), mental retardation, blindness, and a host of other problems. The blindness may result from bleeding into the retina of the eyes or may be what is termed “cortical blindness.” The outermost layer of the brain is called the cortex. The area of the cortex responsible for vision is the rear (occipital) region. If this area is damaged by the coup-contrecoup injuries, blindness may result.

The infant’s neck is very weak, and the bones are fragile. The violent whipping action produced by the shaking causes a whiplash-type injury. The neck bones may fracture or the spinal cord may be traumatized. Paralysis or death may result.

If the infant is grasped by the arms during the shaking, the arms may be broken or the shoulders may be damaged or dislocated. If gripped by the chest or abdomen, internal organs, such as the heart, lungs, liver, kidneys, spleen, or stomach, may be damaged or ribs might be fractured.

The most likely causes of death would be “subdural hematoma secondary to coup-contrecoup injury resulting from traumatic shaking,” or “spinal cord injury secondary to hyperflexion and hyperextension injuries resulting from traumatic shaking.”

Dr. P. Lyle is the Macavity Award-winning and Edgar, Agatha, Scribe, and USA Best Book Award-nominated author of many nonfiction books as well as numerous fiction, including the Samantha Cody and the Dub Walker thriller series, and the Royal Pains media tie-in novels. He has worked with many novelists and writers of popular television shows. Dr. Lyle is a practicing Cardiologist in Orange County, California. See his website at www.dplylemd.com or his blog at <http://writersforensicsblog.wordpress.com>. These Q&As are republished with the author’s permission.



WRITING is TAXING

By Diane Kelly

Putting your Spouse to Work

Although the process of writing a novel is a solitary activity, the running of an author's writing business often falls upon both the writer and his or her spouse.

For federal income tax purposes, the relationship between spouses who operate a business together will fall into one of three categories:

- 1) employer-employee,
- 2) partnership, or
- 3) qualified joint venture.

Employer-Employee.

An author's spouse is considered to be an employee of the author if the author substantially controls the business in terms of management decisions and the spouse is under the direction and control of the author. In such cases, the spouse is an employee subject to income tax and FICA (Social Security and Medicare) withholding on his or her wages. The spouse is not subject to FUTA (federal unemployment tax).

The upside of treating a spouse as an employee is that the spouse will get credit toward Social Security for his or her wages. The downside is that filing payroll tax reports and remitting the withheld taxes to the IRS takes time and adds another task to the couple's "to do" list. Depending on the rules of the state in which the couple resides, the spouse's wages could be subject to state unemployment tax. The couple will also pay more in Social Security taxes if the author's net profits and the spouse's wages together exceed the annual per-person wage base limit for the Old-age, Survivors, and Disability Insurance (OASDI) portion of Social Security (\$113,700 for 2013).

To illustrate, let's assume a writing business earned \$150,000 in net profits in 2013. If the profits were allocated entirely to the writer, only the first \$113,700 of the author's net earnings would be subject to the 12.4% OASDI portion of social security. The OASDI tax would total \$14,098.80 ($\$113,700 \times .124$). However, if half of the net profits were allocated to the writer as sole proprietorship income and half were paid to the spouse as wages, each spouse would pay OASDI tax of \$9,300 ($\$75,000 \times .124$), for total OASDI tax of \$18,600. As a final example, let's assume that the author reports 80% of the net earnings (\$120,000) as sole proprietorship income and pays the spouse the remaining 20% (\$30,000) as wages. The total Social Security taxes paid by the couple would be \$17,818.80 (\$14,098.80 assessed on the author's first \$113,700 of net profits plus \$3,720 assessed on the spouse's wages).

Partnership.

If the spouse has an equal say in the affairs of the business, provides substantially equal services to the business, and contributes capital (money or property) to the business, then a partnership relationship exists. Note that in providing "equal" services, the services do not have to be identical services, they simply have to be of relatively equal significance. For instance, services could arguably be considered equal if the author provides writing services while the spouse takes care of the majority of time-consuming and critical business-related matters, such as technical issues, website updates, promotion, advertising, scheduling, mailings, giveaways, financial record-keeping, proofreading, interacting with cover artists and other contractors, etc.

In this situation, the business income should be reported on a partnership income tax return (Form 1065). Although the payroll tax withholding and filing requirements do not apply to partnership earnings, the reporting of partnership income can be somewhat complicated and the services of a tax professional would likely be required. Thus, the couple would incur additional tax preparation fees.

Qualified Joint Venture.

Fortunately, if certain qualifications are met, tax law allows a married couple to avoid the payroll tax requirements of being taxed as an employer-employee and the complications of being taxed as a partnership. A married couple will be taxed as a “qualified joint venture” if the only members of the joint venture are a husband and wife, both spouses materially participate in the business, and both spouses elect to be taxed as a qualified joint venture.

A spouse is considered to “materially participate” in the venture if the spouse satisfies any of the following tests:

- 1) the spouse participated in the business for more than 500 hours during the tax year,
- 2) the spouse participated in the business for more than 100 hours during the tax year and participated at least as much as any other individual, including individuals who did not own an interest in the activity, for the year,
- 3) the spouse materially participated in the activity for any five of the ten immediately preceding tax years, or
- 4) based on all the facts and circumstances, the spouse participated in the activity on a regular, continuous, and substantial basis during the year. For purposes of this rule, a spouse will not be considered to materially participate in the business if the spouse participated for 100 hours or fewer during the year. The time a spouse spends managing the business does not count in determining whether the spouse materially participated if another person was paid to manage the business or a third party spent more hours during the year managing the business than the spouse did, regardless of whether the third party was compensated for the management services.

Making the election to be taxed as a qualified joint venture is easy. All the couple has to do is file two Schedule C's, one for each spouse. All income, gains, losses, deductions, and credits are divided between the spouses according to their respective interests in the business. Thus, each spouse is treated as a separate sole proprietor for tax purposes.

The good news is that filing as a qualified joint venture allows each spouse to receive credit towards Social Security earnings on which retirement benefits are based. In addition, filing as a qualified joint venture generally does not increase the total tax due on the federal income tax return unless the overall net earnings exceed the annual per-person wage base limit for Social Security taxes (\$113,700 for 2013).

To illustrate, let's assume a writing business earned \$150,000 in net profits in 2013. If the profits were allocated entirely to the writer, only the first \$113,700 of the individual author's earnings would be subject to the 12.4% OASDI portion of Social Security, for a total OASDI tax of \$14,098.80 ($\$113,700 \times .124$). However, if the profits were allocated equally between the writer and the spouse so that each reported \$75,000 in net earnings, each spouse would pay OASDI tax of \$9,300 ($\$75,000 \times .124 \times 2$), for a total OASDI tax of \$18,600. As a final example, let's assume that the author reports 90% of the net earnings (\$135,000) and the spouse reports the remaining 10% (\$15,000). The total Social Security taxes paid by the couple would be \$15,958.80 (\$14,098.80 assessed on the author's first \$113,700 of net profits plus \$1,860 assessed on the spouse's net profits).

On the other hand, if we assume the net profits of the writing business were less than the annual per-person wage base limit, say \$100,000, the total OASDI would be the same regardless of how the net earnings are allocated between the spouses. The full \$100,000 would be subject to the 12.4% OASDI tax since it is less than the annual wage base limit.

Things to Consider.

In my tax practice, I encountered several clients who had worked in their spouse's *Continued on page 20* ▶



Photo by Sabrina Ingram

Not Your Usual Writing Advice

By JoAnn Grote

Creating Our Markets

“By doing his work he makes the needs felt which he can supply, and creates the taste by which he is enjoyed.”

— Emerson, *Spiritual Laws*

I recently saw an ad for an Early American-style maple writing desk from the 1950s. I went to the owner's apartment to see it and discovered another delight—original oil paintings of life on the prairie in the late 1800s covered the apartment walls. Many of my books are set on the prairie during this period, and I went from one picture to another, entranced. The painter, deceased, was the grandmother of the man selling the desk. In her 40s or 50s, she began telling her grandchildren stories about her grandparents' and mother's emigration from Sweden and their life on the Minnesota prairie. She wanted the children to see the stories, so she—not a painter before this time—painted them, not intending to sell them. But others loved her family story pictures, and she became a well-known artist. Today her pictures and prints hang in homes and museums across the world, including two in the Smithsonian.

I asked her son whether he inherited her talent. He modestly replied, “Yes, I make my living as an artist, but I'm only a commercial artist.” He definitely followed a different path than his grandmother; he creates flash art for tattoos. His studio is one of the premier studios in the country, and his company has grown to include the talents of artists from around the globe. He didn't envision such success when he began; he simply brought to life the images in his head.

My thoughts have played a lot with the concept of our work creating our markets in the two weeks since I discovered these two artists.

In the traditional publishing world, we often set aside an idea that intrigues us if we or an editor or agent feel the idea won't be popular with readers. Or we twist or reshape or smash the idea into something smaller and less than it seemed originally in order to fit a proven market. There isn't anything “wrong” in that, but the success of indie authors—whether or not traditionally published—proves agents and editors aren't always correct in their assumptions on what stories readers crave.

Books that break the mold are often those that steer a genre in another direction, or create a new craze. They are stories the author loves. I believe if there is something we long to write, we are not alone in wanting to explore that topic or idea, whether as writers or readers.

About 15 years ago an editor for an inspirational romance line told me she was receiving many proposals with divorced heroes or heroines. “I don't understand why,” she said. “The guidelines clearly state that's not allowed in our line. We want our stories to present the idea that a Christian marriage is meant to last a lifetime.” I understood her reasoning, but I wondered—if so many writers wanted to tell the story of a divorced hero or heroine, did that not indicate there were many readers who wanted to experience those stories? When Robin Lee Hatcher moved from the secular market to the Christian market, her first inspirational novel dealt with divorce, and it was well received.

Indie publishing may reduce the sense of risk a writer experiences when trying something new, but there's still that question: Will readers like it?

Writers and visual artists aren't the only ones with that question. When singer/song writer Kenny Loggins started out he was told, “Just make your own music and you create your own genre.” Loggins' style has cer-

tainly been diverse, from the theme for the movie *Top Gun* to sweet love songs. He recently started on another musical path with a new band, Blue Sky Riders.

Creating our own markets obviously must begin with creating the stories we want to tell, but we can also practice the magic of intention, and of cause and effect.

When I was still unpublished, a writer/speaker asked a workshop audience, “How many of you want to write poetry?” Lots of hands went up. She then asked, “How many of you purchased a book of poetry by a new author this year?” Very few hands went up. Purchasing books in a market in which we want to publish is a way of creating our markets. No, one person’s purchase won’t make a successful market, but it sends the intention out to the Creator of the universal laws.

Just as important is supporting the work of specific writers. I took part in a book signing years ago at the regional RWA conference, Moonlight and Magnolias. There must have been 20 authors signing that evening, including Debbie Macomber. I think Debbie bought a book from every author at the signing, or perhaps my memory is faulty and she bought only from the newbies like me. I’ve tried to follow her example of encouragement. I don’t buy a book from every author at an RWA signing, but I do buy the books of authors who become friends, whether newly published or well-established authors.

I extend that to other artistic disciplines. When a friend took up painting, I bought her first print, had it framed, and hung it in my living room. Another friend began creating jewelry, and I bought a lovely turquoise bracelet. A young friend who is starting her own photography studio will be taking pictures next week which I plan to use for my website and indie-published backlist. I can’t prove it, but I have a sense that sending good will to other artists and writers in these small ways returns that energy to bless my own career. If not, the enjoyment of encouraging another’s creativity is its own award. (Of course, I discover a lot of good books this way, too.)

So do we create our own markets? I don’t know. What better time to find out than in today’s brave new publishing world?

JoAnn Grote is the award-winning author of 38 books, including inspirational romances, middle-grade historical novels, and children’s nonfiction. Contact her at jaghi@rconnect.com.

Business Briefs

Witness Impulse from HarperCollins/William Morrow

Witness Impulse will be a digital mystery, suspense, and thriller line, following the path of HarperCollins/Avon romance imprint Impulse. The new executive editor, Dan Mallory, states the books will include new titles, bestsellers that haven’t been available in the U.S., and digitized backlists. The first 10 titles will be available in October. The royalty structure will be similar to Morrow/Avon digital imprints, starting at 25% and increasing to 50% royalty once books sell 10,000 copies. Titles will not automatically move to print editions. Digital first authors who accept the Impulse model will be paid monthly beginning August 1. E-book prices will range from 99¢ to \$2.99 and have marketing support. *PW Daily*

Hachette E-book Catalogue & Libraries

Hachette is providing its entire e-book catalog to libraries in May. The e-books will be lent through Overdrive, 3M, and Baker & Taylor. The “library e-book edition” will be available simultaneously with the print edition. The checkout is one copy per user with unlimited circulations. Costs will be about three times the print format. That price will drop by half one year after publication. This follows MacMillan’s Minotaur imprint and Simon & Schuster’s pilot projects with 3M and Baker & Taylor, Penguin making its catalog available, and Random House offering all books at a higher price. HarperCollins has e-books priced the same as print but only allows lending 26 times. *PW Daily*

The Mad Scribbler

By Laura Resnick



Overhead

“It is easy to give up something if you are failing, [but] almost impossible to do if you are almost succeeding.”

— Julian Fellowes, *Snobs*

As we saw in the recent Department of Justice antitrust lawsuit against five major publishers for their alleged collusive price-fixing of e-books (all five publishing companies have chosen to settle out of court), publishers have been keen to keep e-book prices high or drive them higher.

“According to publishers,” *TechCrunch* says in an article dated April 5, 2013, “the \$9.99 standard [e-book retail price] created with the introduction of the first Kindle is not enough for newly released bestsellers.” This same article reiterates a rumor I’ve heard ever since the proposed Penguin merger with Random House was announced some months ago, namely that the union will provide leverage for the massive new house to negotiate the retail prices of its e-books. Romain Dillet’s *TechCrunch* piece concludes: “If Penguin Random House threatens to remove its entire catalog from the Kindle Store, Amazon will have no choice but to agree to higher prices again.”

If so, I predict this would be an unwise use of the publisher’s newfound giganticness. (Why don’t they ask my opinion? Why? Why?)

In an April 16th article titled “The e-book Pricing Sweet Spot,” *Digital Book World’s* analysis of e-book sales found that the current ideal price point for an e-book is \$4–\$8. Two weeks earlier, a similar piece in *DBW* found \$3–\$8 the most popular range. “Ideal” and “popular” from the perspective of the consumers who buy e-books, that is.

The traditionally published e-books of novels released straight to mass market paperback tend to be priced the same as their mmpb editions (\$6.99–\$8.99), so many of them are in that “sweet spot” range. But who prices e-books above \$8? With very few exceptions, only traditional publishers, not “indie” writers. Who occupies most of the range that lies below \$8? Writers who self-publish and set their own prices.

So if book consumers are veering en masse toward a price range of \$4–\$8 (or \$3–\$8), that gives self-publishers a competitive advantage over publishing corporations that are pricing so much of their stock above that range.

Now, obviously, whether or not you want to *read* a book, rather than its cover price, is what determines your interest in buying it. But price plays a role in book purchasing decisions, as in all other things. Most readers selectively reserve their hardcover purchases for favorite authors and “keepers.” Paperback print runs are comparatively larger than hardcover print runs because more readers choose to purchase the less expensive format. *DBW’s* articles on the “sweet spot” for pricing suggest to me that similar decisions play a role in digital purchases; \$8-and-below is evidently the range in which it’s easy to decide to buy an e-book.

Meanwhile, on April 11, *Forbes* described a “significant slowdown from years past” when reporting on e-book sales growth data as compiled for the year 2012 by the Association of American Publishers. Reviewing the same data, writer-editor-e-publisher Dean Wesley Smith postulated on his blog that growth in indie sales, a phenomenon which lies well outside the AAP’s scope of data gathering, is a factor in this trend:

“...The sales of electronic books (with exceptions of major series) for major publishers has almost flat-lined in growth. That, in my opinion, is caused by the growth of the indie side [of e-publishing] and better indie covers and such, allowing more quality choices to the readers.... In essence, indie publishers, in many cases, are playing on the same field with the same tools as major traditional publishers, thus holding traditional publishers’ e-books sales level.”

This surmise, though arguable (and I’m sure it’ll be argued for some years to come), certainly reflects my own anecdotal experience as a book consumer. Before sitting down to write this piece, I looked at my e-book purchases for roughly the past year and discovered, without much surprise, that I’ve so far *only* bought e-books priced \$7.99 or lower; and more than half of my purchases are self-published.

I’m a big fan of the free-sampling function on my e-reader. But I find that when I like a book sample and click the “buy” link... I typically change my mind if I see a \$9.99–\$13.99 pricetag. (Sometimes I then put the book on my library list. Sometimes I leave the sample on my e-reader as a reminder to check every so often for a sale or a price change. And sometimes I decide that with roughly 300 books in my TBR pile, I can live without reading this one, after all.) I’m also monitoring prices on two to three dozen favorite backlist e-books released by their print publishers; I want to replace my old print copies, but not at the current \$9–\$12 price of the e-book editions.

In other words, the various e-books I want but choose *not* to buy are traditionally published e-books whose prices are above the sweet spot that DBW has cited in purchasing patterns.

I won’t spend \$9–\$13 on an e-book, because those elevated e-book prices don’t offer me superior or additional content, nor do they offer a superior format (the e-book format of a \$12.99 novel is indistinguishable from thousands of e-books priced in the sweet spot). Those higher prices are about *overhead*.

As a writer, I recognize that publishers have overhead they must pay for, and this is why they’ve kept 90%–94% of the income for my books throughout my career. But as a reader, I choose not to pay a higher price for an e-book just because a corporation with high overhead publishes it.

Now consider how many popular writers in the indie market have never written for a traditional publisher; how many traditionally published writers are self-publishing their own backlists and their never-published projects; how many writers have turned to self-publishing after being squeezed out of the traditional market; how many writers are choosing to walk away from new contracts because they’ve decided to self-publish their frontlist from now on; and how many writers are building their self-publishing business with a view to walking away from traditional publishing in the foreseeable future. That’s a *lot* of writers releasing their own e-books, and the number is growing.

And one thing that these e-booking writers all have in common with each other is: low overhead.

Whether your self-publishing venture is a budget-conscious DIY process, or whether you subcontract people for editing, formatting, cover design, promo, and sales management, your overhead expenses for your self-publishing venture are *drastically* lower than those of a traditional publisher. And this is a crucial factor in your being able to price your e-books comfortably in the \$3–\$8 range; just as it’s a crucial factor in publishers declaring that \$9.99 is too low a retail price for many of their e-books.

“So, the problem for the publishing industry is what are publishers going to do?” writes Henry C. Lucas, Jr. in his recent book *The Search For Survival: Lessons From Disruptive Technologies*. It’s a book which examines the collapse of Kodak in the age of digital photography, the collapse of Blockbuster in the age of streaming video, the mistakes of the record industry in the digital music era—and, oh, yeah, there’s a whole chapter on the publishing industry and the e-book revolution.

Lucas writes, “Publishers are relatively high overhead operations compared to authors with a do-it-yourself model on the Internet. The traditional publisher incurs expenses in editing, production, printing, distribution, and marketing books, and many of these expenses are minimized or disappear for the self-publishing author on the Web.” (Lucas neglects to include the cost of leasing office space in New York City. An old friend recently reminded me that back when I was a zygote, I came home from my first visit to the Midtown Manhattan offices of my first publisher saying, “No wonder they only pay me a 6% royalty rate! Their offices must cost them a *fortune*.”)

Lucas also mentions that Amazon reports that books priced \$11.99–\$14.99 sell more slowly than books priced lower. And he points out that publishers setting their own e-book prices isn’t the same thing as ▶

publishers having pricing power, since they have to compete with so many e-books that are priced much more competitively—that is, priced in the sweet spot.

As the book world moves further into the digital age, I suspect that high overhead will be increasingly problematic for publishers if it necessitates overpricing their stock in a market where a lot of talented, well-produced e-books are available to readers through the exact same distribution channels at lower prices. As an additional issue, overhead is a key reason that a publisher keeps such a large share of an author's earnings, and many authors are increasingly dissatisfied with that math in an era when they have so many more options than they used to for reaching readers. If reducing overhead would enable publishers to lower e-book prices and/or offer better fiscal terms to writers, then it may be a path they can't afford *not* to consider.

However, as Lucas says about publishers in *The Search For Survival*, "It is hard to figure out a new business model while there is still life in the old one," even though he predicts the end is in sight for the current model.

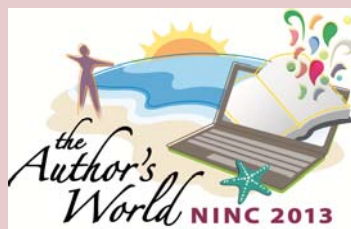
Laura Resnick wishes that Penguin Random House would give in to sense, reason, and fair play by agreeing to call itself Random Penguin.

Writing Is Taxing

Continued from page 15 ▶ business for years, though all earnings had been reported in the spouse's name only on a single Schedule C. Only their spouses received credit toward Social Security, and the clients found themselves with no wages credited toward Social Security benefits. Such a situation can be problematic when retirement time comes, especially in the event of divorce. To determine how the allocation of net earnings would affect you and your spouse, it is recommended that you contact your local Social Security Office for information on how benefits are computed.

If the net income of the writing business exceeds the annual wage base limit, the couple should also consider whether the funds that would be needed to pay the additional OASDI taxes could be put to better use, such as being invested in a SEP-IRA.

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