



Bonus Lesson: Indie vs. Traditional Publishing

\$50,000 is generally considered a full-time income in the US.

Let's look at how many book sales it takes to earn that amount. We'll do so for three reasons.

First, it will give you a long-term goal to aim for. These numbers are achievable.

At the same time, it may help you realize that, starting off, you'll be more stable with multiple jobs or multiple products to sell to your audience.

The *main* reason for this PDF's existence, though, is to examine the financial likelihood of earning a living as an indie author vs. a traditionally published author.

I'll explore what it would take to reach \$50,000 just through book sales, starting with self-publishing.

What are the royalties for an e-book? Pricing that is a tricky affair. Charging more gives you higher royalties, while charging less increases sales. Let's set the price at \$4.99, which is fairly standard.

Your royalty on that would be \$3.50.

What about print books? That depends on whether you opt for print-on-demand or bulk printing. Bulk printing requires a large initial investment but has the potential to render higher royalties. I won't dive into all the math and technicalities. For now, let's assume you go with print-on-demand since that's the safest route for beginners. If you use Amazon's KDP service, a 300-page novel listed at \$12 will earn you about \$4.50 per sale.

With an audiobook (which, depending on your circumstances, patience level, and love for tech, you could record yourself for fairly cheap), you could earn \$7 per sale.



On average, then, let's say one sale is worth \$4. This means you need to sell 12,500 books a year to make a full-time income as a self-published author.

Now let's examine traditional publishing.

Royalty payments vary from publisher to publisher, but a 10% cut on a paperback, a 25% cut on an e-book, and a 20% cut on an audiobook would be reasonable.

Traditional publishers tend to charge \$9.99 for an e-book, so your cut would be \$2.50—not shabby, but unfortunately a \$9.99 e-book is harder to sell than a \$4.99 one. Still, let's ignore that for a moment (and, in traditional publishers' defense, their paperbacks tend to be a little cheaper, so the loss *might* even out—hard to say with e-books being so popular). Also, remember that if you have an agent, he will take a cut, so let's reduce the original figure to a \$2.25 profit on each e-book.

With a paperback, you might earn \$1, and \$3 for an audiobook. So, on average, you'd get \$2 per sale.

You'd have to sell 25,000 books to earn a full-time income as a traditional author.

That's exactly twice as many books as you'd need to sell as an independent author.

But aren't you more likely to sell books if you're traditionally published?

That's very difficult to answer. In some cases, it may work out that way. Maybe you land a contract with a big publisher who gives your book lots of attention. You could *kill* it. But that's rare. On the other hand, the higher royalties and greater control with self-publishing can sometimes lead to more book sales. For instance, if you run Facebook ads that lead to your book page, as an independent author, your higher royalties would make it *much* more likely that you'd earn money from the ad. Both sides have advantages.