

CHAPTER 8

Income and expenditure

A person's income is, of course, one of the most important factors affecting their capacity to lead a satisfactory life, and artists are no different from anyone else in this respect. But income also plays a more specific and subtle role in artists' working lives.

For many professional artists work at the arts is not sufficiently remunerative to provide an adequate living, so the pattern of artists' time allocation—how much time they can devote to their creative practice, how much time they have to spend doing other things—is often profoundly influenced by financial considerations.

Moreover, economic concerns affect the type of specific artistic occupation that artists can pursue within their chosen PAO. Within a given artistic occupation, artists' choices are influenced by economic factors; for example a playwright may be obliged to write a play for a small cast as many theatre companies are unable to afford large scale productions. In these ways, artists' incomes are a key element affecting their creative development and artistic output.

In this chapter we examine the incomes artists earn from various sources and consider how they compare with incomes in other occupations.

Mean and median incomes

In categorising the sources of artists' incomes, we follow the same principles as were applied in examining their time allocation in the previous chapter. Accordingly we distinguish between the following sources of earnings:

- income from primary creative activity, i.e. income from the artist's PAO
- income from other arts-related work as defined earlier
- total arts income, being the sum of the above two elements
- non-arts income, i.e. earned income derived from some occupation not connected to the arts
- total income, being the sum of total arts and total non-arts income.

Note that the income data we have collected relate entirely to earned income; therefore figures in the following tables do not include unearned income such as interest, dividends, pensions and unemployment benefits. Note also that our incomes are gross (pre-tax) incomes.

Table 33 shows the mean earned incomes of artists for the financial year 2000-01. It is important to understand the limitations on interpreting these figures. As we see in more detail below, the distribution of artists' earnings in all categories is strongly skewed towards the lower end of the income range, making the mean or average income a misleading measure of central tendency.

Further, means may be strongly affected by outliers, that is, extreme values which happen to be thrown up within a particular sample. For example, although the incomes of the majority of artists are relatively low, a few enjoy very high earnings; our sample contains several artists who earned incomes above \$200,000 in 2000-01, and observations such as these have a significant effect in raising the mean results reported in Table 33.

Table 33 Mean earned income of artists 2000–01

	Creative income \$	Other arts-related income \$	Total arts income \$	Total non-arts income \$	Total income \$
Writers	20,400	6,100	26,400	19,700	46,100
Visual artists	12,600	7,300	20,000	9,300	29,300
Craft practitioners	19,100	4,000	23,300	7,000	30,300
Actors	22,500	5,000	27,400	14,300	41,700
Dancers	16,700	7,100	23,900	3,000	26,900
Musicians	17,700	9,800	27,600	13,500	41,100
Composers	12,700	14,000	26,700	11,500	38,200
Community cultural development workers	8,400	8,300	16,700	9,400	26,100
All artists	17,100	7,400	24,600	12,600	37,200

In these circumstances, a somewhat more useful way of presenting these data is as median rather than mean income. The median in a distribution of incomes is that income which divides the distribution in half; that is, 50 per cent of artists have incomes below the median and 50 per cent have incomes above the median. Table 34 shows the median creative, total arts and total incomes of artists for the year 2000-01.

Table 34 Median earned income of artists, 2000–01

	Creative income \$	Total arts income \$	Total income \$
Writers	4,800	11,700	35,000
Visual artists	3,100	9,200	22,900
Craft practitioners	8,200	14,300	22,600
Actors	10,500	18,400	32,000
Dancers	12,900	23,600	26,000
Musicians	10,500	20,000	35,800
Composers	4,200	19,200	31,100
Community cultural development workers	3,400	16,500	22,600
All artists	7,300	15,700	30,000

Half of all the artists in our survey had creative incomes of less than \$7300, even though the average or mean creative income was just over \$17,000. Similarly, half of the artists in our survey had a total income of less than \$30,000, even though the mean total income was just over \$37,000.

Bearing inference difficulties in mind, we observe that on average in 2000-01 artists made a little more than \$24,000 from creative and other arts-related work out of an average total income of about \$37,000. On average, the highest creative returns were made by actors, writers and craft practitioners; the lowest by composers, visual artists and community cultural development workers. The highest arts-related earnings were made by composers and musicians, while the highest average non-arts incomes were made by writers.

Overall, actors, writers and musicians fared best in terms of average total incomes; dancers and community cultural development workers did least well. In terms of medians, the more even distribution of income among dancers means that they emerge with the highest median creative and total arts incomes. The opposite is true of visual artists and community cultural development workers for whom the median creative incomes were only \$3,100 and \$3,400 respectively.

To place these annual earnings in perspective, a comparison can be made with other occupations. Table 35 shows artists' incomes in 2000-01 as estimated from our survey, compared with the incomes of employees in several other occupational groups. An appropriate basis for comparison is with those occupations requiring similar periods of education and training for entry.

Artists spend on average 4-6 years gaining formal qualifications as an artist. These periods of professional training are comparable with teachers, dentists, lawyers and scientists. Thus the professional category shown in Table 35 is perhaps the most appropriate for comparison.

It is clear artists' income from creative work in their chosen profession is far below that earned by similarly qualified practitioners in other professions. Even when other arts-related earnings and non-arts income is added in, the gross incomes of artists, from which they must finance their professional practice as well as the demands of everyday living, are substantially less than managerial, administrative, professional and para-professional earnings. Indeed their total incomes on average are little different from those of all occupational groups, including non-professional and blue-collar occupations.

Table 35 Incomes of artists compared with employees in other occupational groups, 2000–01

Estimated annual income	Mean \$	Median \$
Artists:		
Income from creative work	17,100	7,300
Income from all arts work	24,600	15,700
Gross income from arts and non-arts work	37,200	30,000
Full-time employees 'main job' (a):		
Managerial/administrative	64,700	55,800
Professional	54,400	48,900
Associate professional	47,000	40,200
All occupational groups	42,900	36,600
Full-time and part-time employees 'main job' (a):		
Managerial/administrative	63,600	54,500
Professional	48,000	43,700
Associate professional	43,000	37,700
All occupational groups	34,900	30,700

(a) Non-arts data derived from ABS 6310.0 *Employee Earnings, Benefits and Trade Union Memberships* August 2000 and 2001.

The relatively low returns from artists' creative practice as a component of their incomes can be clearly seen by comparing the proportions of time spent at their different occupations with the proportions of income earned. Consider the mean results shown for all artists in Table 36. In the year 2000–01 artists spent 53 per cent of their working time at creative work, but made only 46 per cent of their income from this source.

Other arts-related work is also relatively poorly remunerated, such that when combined with creative work, artists spent just over 80 per cent of their time at all arts work yet earned only two-thirds of their total income from these sources. By contrast, the 19 per cent of their working time that they spent at work outside the arts yielded, on average, 34 per cent of their income.

Table 36 Comparison of time spent and income earned for artists' jobs

	Proportion of:	
	Time spent at %	Mean earned income from %
Creative work	53	46
Arts-related work	27	20
All arts work	<i>Subtotal</i> 81	66
Non-arts work	19	34
All work (arts plus non-arts)	Total 100	100

Sources of creative income

An artist's creative practice yields revenue from a variety of sources depending on the employment status of the artist (see Chapter 7) and the type of work undertaken. Sources of artists' creative income are detailed in Appendix I Table 8.1. Performing artists and community cultural development workers receive most of their income in the form of salaries, wages or fees, while visual artists and craft practitioners earn their income mostly from sales and commissioned work. For writers and composers advances and royalties are a significant component of creative income. Artists in any artform may be fortunate and win a grant or prize.

In interpreting these data, it should be noted that some writers, visual artists, craft practitioners and composers are incorporated, and may pay themselves a salary from their company, such that some part of their sales or royalty income could be reported as salaries or wages, thus affecting the relative proportions.

Grants and prizes represent a small but significant part of artists' incomes, with about 10 per cent of the creative income of visual artists and composers in our survey derived from this source. The importance of public lending right and educational lending right in contributing to writers' incomes is notable.

Income distribution

Another way to gain an understanding of artists' incomes is to look at the distribution of artists across income ranges. Detailed distributions are shown in Appendix I Tables 8.2–8.4 for creative incomes, all arts incomes, and total incomes (arts and non-arts) respectively. The tables show clearly that, although some artists do quite well financially, the great majority are clustered in the lower income categories. Looking more closely at these results, we tabulate in Table 37 the proportions of artists at the bottom and the top end of the income ranges.

Table 37 Artists earning less than \$10,000 and more than \$50,000, 2000–01

	Artists earning less than \$10,000 from:		
	Creative work %	All arts work %	All work (arts and non-arts) %
Writers	56	42	13
Visual artists	66	47	22
Craft practitioners	48	36	19
Actors	40	28	10
Dancers	31	13	9
Musicians	37	25	10
Composers	56	34	7
Community cultural development workers	58	31	8
All artists	49	34	14
	Artists earning more than \$50,000 from:		
	Creative work %	All arts work %	All work (arts and non-arts) %
Writers	15	18	35
Visual artists	5	9	14
Craft practitioners	11	9	17
Actors	14	17	26
Dancers	–	6	6
Musicians	8	16	28
Composers	6	19	25
Community cultural development workers	–	–	5
All artists	9	13	23

– indicates nil in this sample.

Table 37 indicates that about half of Australia's practising professional artists earned less than \$10,000 from their creative work in the financial year 2000-01. The artforms with the largest concentrations of practitioners in this lowest income group were visual artists, community cultural development workers, composers and writers.

By contrast, only 9 per cent of Australian artists earned more than \$50,000 in that year from their creative practice. In particular, no community cultural development workers and no dancers and choreographers in our survey earned creative incomes in this upper range.

In the case of all arts work (arts-related work and creative work combined), just over one-third of all artists still earned less than \$10,000, with the highest proportions among visual artists and writers. At the other end of the spectrum, only 13 per cent of all artists earned more than \$50,000 from all arts work, including just under one-fifth of writers and composers.

The financial circumstances of artists are improved when total income from all work (arts and non-arts) is considered. Even so, 14 per cent of all artists still earned less than \$10,000 from all work in 2000-01, and this included around one in every five visual artists and craft practitioners. At the other extreme, the number of artists earning more than \$50,000 from all arts and non-arts work is by no means large—only 23 per cent of artists in total, with just 6 per cent of dancers and choreographers and 5 per cent of community cultural development workers in this category.

Expenditure

As noted earlier, the income figures reported above are gross, that is, measured before deducting expenses or paying tax. In fact, artists incur significant expenses in pursuing their creative careers. In the early career stages the costs of training can be significant, in the form of fees and income forgone. Once established, artists have to incur a wide range of expenses essential to their art, including the purchase of materials and equipment, rent of studio or work space, freight and travel, further training, and commissions to agents or galleries.

Estimating the costs attributable to an artist's creative work is problematic in many cases, particularly because the attribution of some items of cost to specific activities may be difficult or impossible. Depreciation on a musical instrument, for example, may be shared between a musician's creative work and arts-related work as a music teacher; a visual artist may carry out research for a series of works while on vacation; a novelist may claim, with some justification, that all living expenses directly support writing, since useful observations may occur anywhere at any time.

Thus, monetary estimates of the annual costs of running an artistic practice in any artform should be treated with caution. With this in mind, Table 38 shows the mean and median arts-related expenses reported by artists in all artforms for the year 2000-01. The table shows mean expenses of just over \$8000 on average, with median expenses just over \$4000. Note the higher cost levels incurred by visual artists and craft practitioners, where purchase of materials is an especially significant cost item.

Table 38 Expenses incurred in art practice, 2000–01

	Mean \$	Median \$
Writers	6,700	3,400
Visual artists	10,900	4,400
Craft practitioners	14,000	7,000
Actors	6,400	4,100
Dancers	5,000	3,800
Musicians	7,300	3,500
Composers	8,200	5,100
Community cultural development workers	4,800	3,100
All artists	8,300	4,100

A detailed breakdown of expenditure incurred in art practice is given in Appendix I Table 8.5. Materials and consumables, major items of equipment, and freight and travel are the largest cost elements for all types of artists.

Spouse/partner's income

We have noted in earlier chapters that the support and encouragement of an artist's family are important factors in advancing a creative career. That support takes tangible form when the income of a supportive spouse or partner is available to fall back on in times when earnings from artistic or other work are inadequate for everyday living or for the continuation of artistic practice.

Of the artists who live with a spouse or partner, more than half of them (or 36 per cent of all artists) regard that person's income as quite important or very important in sustaining their creative work, as shown in Table 39. The support of a spouse or partner's income is somewhat more important for women artists than for men.

Table 39 Importance of spouse/partner's income(a)

	All artists %	Male %	Female %
Very important	43	35	51
Quite important	15	18	11
Not really important	15	17	13
Not at all important	19	24	13
Not stated	9	6	12
Total	100	100	100

(a) Proportions are of artists with a spouse or partner.

Financial survival

Given that individual requirements for everyday life vary from person to person, the question can be asked as to how well artists' incomes, even though relatively low, provide the minimum essentials they need for survival. In the survey artists were asked to nominate the minimum income they needed per year to meet living costs.

Table 40 shows the mean and median amounts nominated by artists in different artforms. The median amount of around \$26,000 per annum is observed across most artforms, though it seems craft practitioners and dancers can survive on less than other PAOs.

With this minimum income requirement specified it is possible to determine whether each artist's creative income, their all-arts income and/or their total income was sufficient in 2000-01 to meet their minimum needs. Table 40 shows the proportions of artists in each PAO who were able to meet their minimum income requirement from each of these income aggregates.

Table 40 Artists' minimum income requirements

	Minimum income required(a)		Artists able to meet their minimum income requirements from their:		
	Mean \$	Median \$	Creative income %	All arts income %	Total income %
Writers	32,600	27,800	22	32	62
Visual artists	25,500	25,000	17	30	50
Craft practitioners	24,400	20,800	26	38	51
Actors	29,300	26,000	29	44	68
Dancers	21,500	20,800	36	57	71
Musicians	30,300	26,000	20	41	64
Composers	29,000	26,000	15	37	63
Community cultural development workers	26,800	24,200	12	23	50
All artists	28,500	26,000	21	36	59

(a) Minimum after tax income per annum required to meet living costs.

In general, we conclude that only about one-fifth of all artists are likely to be able to meet their minimum income needs from their creative work alone, with only a little over one-third able to earn this amount from all arts work. Equally noteworthy is that around 40 per cent of artists are unable to meet their minimum income needs from all of the work they do both within and outside the arts. This observation confirms the importance of the results above; a spouse's or partner's income is likely to be a vital means by which these artists are able to continue their work.

Trends over time

Finally, we ask how artists' incomes have changed over the last few years. Given that this survey was carried out using the same methods as in two previous studies, we can compare income trends over a period, now extending back 15 years. Table 41 shows mean and median creative, all arts and total incomes of artists for the financial years: 1986-87, 1992-93 and 2000-01. In the table, artists' incomes are compared with those for managers, professionals, and all occupational groups. All incomes in this table are expressed in real terms, that is, they have been adjusted for inflation and are stated at 2000-01 prices.

Table 41 Trends in artists' and others' income, 1986-87 to 2000-01

	1986-87 (\$'000 p.a.)	1992-93 (\$'000 p.a.)	2000-01 (\$'000 p.a.)
Mean incomes: all artists			
Creative work	17.9	14.4	17.1
Other arts-related work	7.7	7.6	7.4
Total arts work	25.6	22.0	24.6
Non-arts work	9.3	8.2	12.6
All arts and non-arts work	34.9	30.2	37.2
Median incomes: all artists			
Creative work	5.8	6.1	7.3
All arts work	11.9	11.5	15.7
All arts and non-arts work	22.0	24.5	30.0
Mean incomes: full-time employees in 'main job'(a)			
Managerial occupations	46.8	49.8	64.7
Professional occupations	46.2	48.4	54.4
All occupational groups	34.6	37.3	42.9

(a) Non-arts data derived from ABS 6310.0 *Employee Earnings, Benefits and Trade Union Membership* various years.

The declining trend in incomes apparent in the first 6 years appears to have been reversed in the subsequent 8 years, such that artists' creative and arts-related incomes are virtually the same in real terms as they were 15 years ago. Moreover, the proportions of their incomes derived from various sources have, on the whole, changed little. Artists' incomes have shown no long-term increase over a period when all other occupational categories shown in Table 41 have enjoyed steady increases in real terms.

What have been the trends in different artforms? Table 42 shows the movement in real earnings from all arts work and in total for all PAOs over the same 15 year period. All groups except community artists showed a decline in the first half of this period. Then, between the early 1990s and the present time the incomes of all groups other than visual artists and composers recovered.

Table 42 Trends in artists' mean earned income 1986–87 to 2000–01

	Income from all arts work			Income from all work (arts and non-arts)		
	1986-87 (\$'000 p.a.)	1992-93 (\$'000 p.a.)	2000-01 (\$'000 p.a.)	1986-87 (\$'000 p.a.)	1992-93 (\$'000 p.a.)	2000-01 (\$'000 p.a.)
Writers	27.1	21.5	24.6	42.1	35.1	46.1
Visual artists	26.8	21.1	20.0	33.9	28.8	29.3
Craft practitioners	26.1	20.2	23.3	31.7	26.2	30.3
Actors	27.7	15.4	27.4	35.7	23.4	41.7
Dancers			23.9			26.9
Musicians	24.0	24.0	27.6	34.5	32.3	41.1
Composers	45.7	40.0	26.7	52.8	42.3	38.2
Community cultural development workers	24.2	24.6	16.7	27.4	31.1	26.1
All artists	25.6	22.0	24.6	34.9	30.2	37.2

The incomes of visual artists are a particular concern and suggest justification for the sorts of measures for assistance to the visual arts industry recommended in the Myer Report (2002). In regard to composers, it appears that average remuneration has been declining, though it should be remembered that the composers' sample has changed somewhat between surveys.

Turning to performing artists, adjustments in award rates since 1992-93 have apparently flowed through, and this, together with a wider range of work now available, appears to have boosted incomes. Nevertheless, as we see in Table 40, the majority of artists, including performing artists, are still unable to earn a satisfactory living from their creative work.

Finally, it is notable that the incomes of the other occupations shown in Table 41 have continued to climb in real terms over the periods studied. Over the long term it is apparent that in financial terms the relative disadvantage of artists compared to other occupations has worsened rather than improved over the last 15 years.