

How Copywriting Royalties Work

By Rebecca Matter



Writers often think you have to be James Patterson, Dan Brown, or J. K. Rowling to make a crazy amount of money as a writer ...

But it's simply untrue.

Direct-response copywriters have just as much earning potential ... possibly more ... thanks to the royalties they receive year after year from letters they once wrote. (And as I'll explain in a moment, that's on top of the big fee they were paid to write the letter in the first place.)

It's how "A-list" copywriters like Clayton Makepeace, Jedd Canty, and Mike Palmer make millions each year.

To illustrate how royalties work, I'm going to use the financial market because it's fun to look at the numbers ... and happens to be the niche that has created the most million-dollar copywriters. You're about to see why ...

In the financial niche, a client might ask you to write a letter that promotes a specialized financial advisory service that costs \$1,000 a year for a subscription.

Now, you might be thinking, "*\$1,000 a year — for a newsletter subscription?!*"

Yes! Avid investors routinely pay anywhere from \$100 to \$5,000 a year for specialized financial insights. So no worries there. People will pay it.

You agree to write the letter and negotiate an up-front writing fee. How much you get depends on your experience. (AWAI Founder Paul Hollingshead writes in this niche and charges \$10,000, but some of his colleagues charge a lot more ... \$25,000

and up.)

Now that's *just* to write the letter ...

But it gets better. I'll explain ...

After three or four weeks of writing, editing, and polishing, your letter is finished.

You send it off to your client by email and he or she does another round of final editing ... gets it to a design crew, who readies it for printing or posting on the Internet ...

Then your letter is sent to a list of people who have signed up to see new financial letters like the one you've just written. (Important: Your letter is never sent as unwanted spam. These are people who have "opted-in" and have agreed to see what you're writing.)

A few days later, your client tells you that 1% of the people who saw your letter loved the idea you wrote about ... and paid the \$1,000 to subscribe to the newsletter you were promoting.

Again, I can almost hear what you're thinking:

Only 1% — that's 1 out of 100.

Boy, that must have been a pretty bad letter!

Okay, maybe it *wasn't* the best letter ever written ...

But here is what's great about it:

It's still enough to make you a lot of money. That's because 1% of 100,000 means 1,000 people were persuaded enough by your letter to subscribe.

And at \$1,000 each — that's a cool \$1,000,000 in sales.

Boy, is your client happy! Your letter just made a million bucks walk through the door!

And here's that "better" part I mentioned:

Copywriters typically get paid a royalty on every sale — anywhere from 2% to 4%.

And remember — that's *on top* of your up-front writing fee.

It's like a commission ... or a bonus.

So now let's tally up what this one letter that got a 1% response ended up paying you.

You got your \$10,000 writing fee, up-front ...

Your letter helped sell \$1,000,000 worth of subscriptions. At a 3% royalty — that's an extra \$30,000 you'll be paid.

Altogether, that's \$40,000 ...

Do just six of those a year and you're looking at a \$240,000 income ...

Now, let's say you wrote a really *great* letter ... and the response was 2% instead of 1%.

So instead of \$1,000,000 in subscriptions, *your letter sells \$2,000,000*.

Now your royalty is \$60,000 — for a total payment of \$70,000!

Imagine you do six of these letters a year — one every two months.

$\$70,000 \times 6 = \$420,000!$

And here's the *best* part.

If you write six letters a year — and it takes you a month to write each letter — that means you have six months of "off" time ... time you could be travelling ... golfing ... anything at all!

Or you could decide to use that time to write three or four *additional* letters a year — make *even more money* ... and still have two or three months a year to spend as you please.

Are you starting to see the big picture here?

And if you really hit a home run with a letter you write — the money can be almost obscene.

Recently, for instance, a colleague we know and work with here at AWAI wrote a letter that sold ***\$10 million*** worth of financial subscriptions.

His potential share?

\$400,000 ...

From just one letter!

Another gentleman we know wrote a letter that was used over and over again for over four years ... and earned him in excess of a million dollars for about two months of work all-totaled.

Imagine what it would feel like having a \$30,000 or \$40,000 deposit show up in your bank account — for a letter you wrote years ago ...

And having it happen time after time after time!

Now I realize that's not the norm, but even if you scale the numbers way down ...

Let's say you charge only \$5,000 to write a letter for a supplement company ...

The letter sells \$100,000 worth of product when it mails, and you have a 3% royalty arrangement.

That's \$3,000 that shows up for not doing any more work. And any time they mail it ... you get another check ... for as long as they continue to mail it!

And that's only ONE letter ...

Most trained copywriters who've completed [The Accelerated Program](#) can bang out a long-form sales letter every 1-2 months.

And even if only a few letters become winners (otherwise known as controls), you can see how quickly the royalty checks would add up.

Imagine only two of your letters every year turning into controls ...

By year five of your career, you would have 10 letters paying a royalty every quarter. You'd more than likely be well on your way to making a six-figure income. And that's money you are earning from something you wrote years ago!

Do you have any questions about copywriting royalties? Please share with us in the comments below so we can get you the answers.

Editorial Note: If you want to earn royalties, the starting point is learning how to write persuasively. AWAI's *Accelerated Program for Six-Figure Copywriting* gives you what you need ... from learning the skills to getting great clients ... and everything in between.

Join the thousands of writers who have already launched their careers with [The Accelerated Program](#).

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15 Responses to "How Copywriting Royalties Work"

Rebecca,

How do you find out the true response rate of a client? Is there a way to verify what they are telling you and what the number really is? Also, how do you keep track of your royalties? Like, how do you keep tab of how often clients send out your letters and how much you're supposed to be paid?

Anthony Johnson – over a year ago

I'm curious about 2 things -- How do you get the client to honestly tell you how much they earned AND what compels the client to tell you if they use your sales letter a second (or third) time? I would have no way of knowing if they sent the letter out more than once and no way of knowing what response they got. It seems like the client could easily under report those numbers...

Guest (Jennifer) – over a year ago

The question I have is perhaps one that has been asked already. What method is typically used to ensure that you know when your letter is used again?

Simon1964 – over a year ago

Hi Rebecca, Would it be possible to include an actual letter as an example (perhaps with the company name blocked out for legal reasons)? It would be incredibly helpful to me in determining whether this type of writing is something I could actually do and succeed at. Thank you!

Sincerely, Leah

Guest (Leah) – over a year ago

How does one find these clients seeking direct response copywriters? How long does it take to develop the skill set required/

bj ontario canada – over a year ago

I understand how it works and I write in the Finance market (and yes, I write persuasively!). 2 questions:

- * How do I find these customers that work on these arrangements?
- * How do I get them to use my letter?
- * How do I know what there official signups or sales are (depending on the purpose of the letter)?

There must be some way for me to track the numbers or do I rely on what they tell me?

I appreciate your review and comments.

Sincerely, Steve

MktgStar – over a year ago

Rebecca,

How do you keep track of when the company is sending out your control letter? Is there a way to verify the response rate the client said they got? Like what is a good way to make sure you're getting paid what the agreed to pay you?

Anthony Johnson – over a year ago

I'd love to see the answers to the previously asked questions about tracking - and also would like details about when/where royalties are discussed with the client. Is there standard language in a proposal/contract? I've not seen any reference to royalties in the proposal and contract templates that are available.

LynneB – over a year ago

@Anthony Johnson - they'll send you reports. In general, you don't want to work for companies where there is a trust issue. Clients want the copy to do well, just like you. And every company will have a different way of calculating royalties - but just ask them up front. Best wishes, Rebecca

Rebecca Matter – over a year ago

@Jennifer - see my most recent response to Anthony. Your clients want to keep you engaged, so you'll write more for them. Paying royalties is a good thing - it means they're making sales!

Rebecca Matter – over a year ago

@Simon1964 - just ask them :) If you're letter is good, they'll be mailing it again and again.

Rebecca Matter – over a year ago

@Leah - just look at our catalog: www.awaionline.com/catalog. You'll find loads of letters there if you click through to the "learn more."

But that's only one opportunity - there are loads of great paying writing projects. <https://www.awai.com/copywriter-rates/> Even without royalties!

Rebecca Matter – over a year ago

@BJ - we have loads of free content on finding clients and building a business here: <https://www.awai.com/inside-awai/>

I recommend this one that outlines 26 ways: <https://www.awai.com/inside-awai/26-ways-to-find-writing-clients/>

I also recommend watching this one to get a full understanding of the opportunity: <https://www.awai.com/inside-awai/blueprint-for-becoming-well-paid-copywriter/>

Rebecca Matter – over a year ago

@MktgStar (AKA Steve!) :) The best place to find clients in a particular niche is to be a potential customer. Sign up for eletters, search for their solutions, etc. In financial, it's typically going to be information publishing. (Ex: Agora) The best way to land them is typically to submit sample copy so they can gauge your writing. You don't write a letter and get them to use it. You'd write a letter that they contracted you to write. And I've never heard of a company lying about their sales figures. They want the letter to do well. But if you do, let me know! Rebecca

Rebecca Matter – over a year ago

@LynneB - lots of responses now above. Sorry for the delay! Usually you'll talk to your client in advance about royalties. Some will have set rate they pay, others will ask you for your proposal and fee. A lot of it is learned over time. We have a great template program that includes contracts, etc.: <https://www.awai.com/business-templates/p/> But you can also find other resources online. Best wishes, Rebecca

Rebecca Matter – over a year ago

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American Writers & Artists Institute

220 George Bush Blvd, Suite D

Delray Beach, FL 33444

(561) 278-5557 or (866) 879-2924

