

Pricing your work

HOW TO SET PRICES FOR ART & DESIGN WORK

TIPS FROM THE PROS

There is a fine line between cheap and a good deal. You want to strike that balance.

Students are usually in one of two camps: they overvalue or they undervalue. If you overprice, your work won't sell. If your work is too reasonable, the buyer doesn't get the cache in buying the work.

Price also depends on the buyer/client. Educated buyers might want to barter with you; uneducated you may have to teach the value of your work.

Know your process and your time. Know the cost of your materials. Have discipline to treat it like a job, and then when you state your price you can feel confident in knowing it's worth what you are asking.

Find your market. What is "Fair Market Value" for your work? How does that change when you put your work into different venues?

FINE ARTISTS

Factors to consider when setting your price:

Your previous sales history (i.e., past clients and buyers)

The value of the medium or material (e.g., price of oil painting > price of acrylic, price of canvas work > price of work on paper, price of bronze > price of wood, price of installation > price of DVD)

The size of the work (i.e., larger typically means more expensive)

The size of the edition (i.e., larger typically means less expensive)

The cost of framing, printing, or processes that are additional in preparing the work for sale/exhibition

The time it took to make the work

The number of pieces you make in a year or your productivity

Your stage in your career (i.e., the more exhibitions you have had, the more you can charge)

The cost of similar work from artists at the same stage in their career as you

How badly you want to keep the work or get rid of it

If you are selling to friends and family v. collector

STEPS TO CREATING A BASE PRICE

1. Choose one work and describe its physical characteristic, in writing and in detail. These attributes include size, subject matter, color, complexity, weight, detail, cost of materials and the time necessary to create.
2. Set a sensible hourly wage, add the cost of materials, and make that your asking price.
If materials cost \$100 and you take 20 hours to make the art at \$15 per hour, then you price it at \$400.
3. Base your price on how much your peers charge, especially those artists who live in your area, use like materials, sell through the same/similar venues, create art in the same genre, and whose quality of work and accomplishments are comparable to your own.
4. Ask your faculty how much they think your work should sell for. Whenever you get the chance, ask dealers, experienced collectors, consultants, fellow artists and agents what they think.
5. Be competitive so that it sells.
6. Raise your price when you have established a proven track record of selling at least half of everything that you produce within a six month time period. Your price then can increase 10%-25% per year.
7. If certain works hold special meaning for you or represent critical moments in your life or career, but are not drastically different from your other art in terms of physical criteria, it may be a good idea to keep them off the market, because the tendency is to overprice them.

FINAL PRICE FOR FINE ARTISTS

Alternative Exhibition Spaces: Base Price + TBA% = Price

Commercial Gallery: Base Price + 50% (commonly) = Price

Set your prices before you open your studio to the public or participate in an event like Art Walk. It's awkward to have a collector have to set the price or for you to have to come up with it on the spot. Have a price list ready, but don't feel like you have to have it out for the public. When someone offers to buy something, take a moment to say, let me check my price list, a good time for you to collect your thoughts. It's also totally fine to put NFS (Not For Sale) on a piece that is extremely valuable to you or to save work for an upcoming show.

Always be on the lookout for artists with work of a similar size, medium and style to your own and study their pricing. You can do this online, in galleries or at art fairs. It's a great way to learn what the market value of your work is. Ask your professors, peers, and non-art people what they think of a price, judge by their gut reaction.

If a work is particularly meaningful to you, wait a little while to sell it, so that you aren't over valuing it. Once you have some distance from the work, you may be fine to sell. Avoid pricing things really high just because they are valuable to you right now. You might be setting your prices too high and it's difficult to have them come down. Start low and grow them steadily.

Volume Discounts – Some people will want to buy multiples of your work, and if this is the case, it's a great idea to give them a little discount, especially if it's going to a good home. You get the work out of the way, it stays together, and the collector feels like they are getting a deal. Win/Win!

Always have the paperwork ready to go. Make two invoices, one for you and one for the collector. Find a template you like and develop an invoice/inventory system so that you can keep records for tax purposes and know where your pieces are in the world.

FREELANCE DESIGNERS AND ILLUSTRATORS

Two kinds of pricing – you get a project and propose a price or the client comes to you with a fixed budget. Either way you have to decide if it's worth it to take the job. It's hard to be realistic with your hourly rate, but just like knowing the cost of your materials for a painting or sculpture, you have to know how long it typically takes you to complete a project. Are you making a living just off of your freelance work or do you have an additional job?

Consider the following factors:

- Scope/scale of the project
- Urgency (i.e., the good, timely, cheap analogy)
- Exposure, which leads to future clients
- What it adds to your portfolio
- Your relationship with the client
- Level in your career/experience
- Project you believe in or are excited about
- Aggravation Factor (or lack thereof)

FINAL PRICE FOR DESIGNERS AND ILLUSTRATORS

Business Expenses + Personal Expenses + Reinvestment in Business (profit) + Taxes (30%) = Total Income Needed (6100)

Billable hours per day (5) x Days of work per month (20) = Total Billable Hours (100)

Total Income Needed / Total Billable Hours = Hourly Rate (\$61)

Determine the major components of any project and determine how long you think it will take to complete each of those aspects in hours. Don't forget administrative time in there too! Then use your hourly rate to determine what a good estimate might be for a project. No one has to know this number but you. Once you have your final number, does it seem low or high? You can certainly adjust for unexpected time and factors that may come into play. Usually designers tend to totally underestimate projects at first. As you get better, you will get faster, so don't use an hourly rate forever, use it to create your base prices.

Find out what the client wants, and under-promise & over-deliver. It's true with design, you get what you pay for. Change the language from "How much do you charge for a website?" to "A website costs ..." They are paying for your creative time and energy, and if you can reassure them that you will take care of everything, create trust, then they will choose you over other designers, even if it costs more.

When giving a quote for a project, it's okay to give a range in pricing. This gives them a cap on the amount they will spend. If the client changes his or her mind mid-stream, it's important to be up front about the additional costs in time. Be as clear as possible up front about what is expected, including outcomes, deadlines and costs. You must put all of this in writing for your clients.

Clients know that if they are on a tight schedule they will have to pay more. Factor this in because any project that you take where there is a tight timeline will create chaos for you. If you are good at it and prepared for it, it can be lucrative. But if you know your best work can't be done in a rush, then you can consider not taking rush jobs.

When it comes to volume discounts, you can package your work into a logo, website and print publications and charge a lower rate than charging for them individually. This ensures you get the work and makes the client feel like they are getting a deal and a cohesive package.

ETSY/CRAFT FAIRS

Pricing is lower, but steady income is available. Determine what you can charge on these sites by looking around... then determine if you feel comfortable in that range. If so, then this may be the perfect market for your work. Be organized and prepared to mass produce. Efficiency is key. Understand wholesale v. retail and when to charge what if you want to sell your work through a shop or alternative venue.

BOOKS TO READ/WEBSITES TO VISIT

Creative, Inc.: The Ultimate Guide to Running a Successful Freelance Business – Mateo Ilasco & Cho

Pricing & Ethical Guidelines: Graphic Artist Guild Handbook (13th Edition)

The Designer's Guide to Marketing and Pricing: How to win Clients and What to Charge Them – Benun & Top

Art/Work: Everything You Need to Know (and Do) As You Pursue Your Art Career – Bhandari & Melber

The Artist's Guide: How to Make a Living Doing What You Love – Battenfield

The Basic Guide to Pricing Your Craftwork – Dillehay

www.artbusiness.com

www.mdartslaw.org