

Art as a Business: Pricing Art

The suggestions and information available in this document are based on a WFGA member meeting on May 16, 2023. The purpose is to expose members to the multiple methods used by guild artists to price art for sale.

The first section is applicable to all art mediums, followed by a section geared for painted, hanging art and then a section for 3-D art.

There isn't a "right way" or a "wrong way" to price your art. The purpose of this document is to share the advice and experience of selling artists.

It should be noted that all art mediums aren't covered since every art medium wasn't represented in the meeting. For example, we have some wonderful wood artists but none were present to discuss pricing strategies.

Overall Pricing Advice. All Art Mediums

- Take the time to see what artists generating similar artwork are charging for their work. Good sources are Etsy and art markets and local shops that sell handmade art. This gives you a general idea of what prices sell in the local area. Once you have a feel for how other artists price similar artwork, you can make a pricing decision based on an average of what you find. Example: You find that for your art medium and size of artwork, other artists are charging between \$250 - \$600 for their artwork. Based on an honest assessment of your work, you might choose to sell at \$400 or \$450 for your artwork and feel confident that your price is reasonable in the local market.
- Always be consistent in your price for a certain size or type of art. For example, if you sell a piece of 16 x 20 art for \$325, always sell that size for \$325. Buyers do not understand complexity in artwork so you might want to charge more for a piece because it was more difficult but that doesn't work when you sell other pieces at a lower price.
- When you feel you need to increase the cost of your art, announce it on social media. This can be an opportunity for a "sale" before price increases.
- Make sure the price is consistent regardless of where the artwork is displayed. For example, you shouldn't charge \$250 for a piece of artwork at a market but charge \$400 for that same piece at a gallery. Galleries expect consistency in pricing. While a gallery may take 30% or 40% of the selling price in commissions, keep that in mind when setting the original price of your art not just when you are accepted to hang it in a gallery.
- Artists are discouraged from negotiating with buyers over prices. Never forget that your art is worth a certain value and don't let buyers negotiate your price downward. Many artists consider someone negotiating the price on their artwork as an insult to the artist. Understand and appreciate the value of your artwork.
- While an artist might avoid negotiations over price, sometimes an artist wants to move a piece that might have been sitting on a shelf for a while. At that point, you advertise it as a sale price

or clearance piece and lower the price. Everyone loves a sale! Most importantly, you are deciding to lower the price – not the buyer.

- Regardless of your art medium, always charge more for commission pieces. Why? Buyers can be very picky with commission work and it isn't unusual to have to meet with the buyer several times, modify a drawing, etc.
- When doing commissions, always get a down payment. One member gets 20% and the cost of supplies and materials upfront and never frames a commission piece. Most appeared to get 50% of the final cost upfront. Regardless of your upfront pricing formula, do not do any work until you get your upfront fee.
- For commission work, always have a contract that lays out the costs, delivery criteria, and what happens if the buyer doesn't like the final result (i.e., Always keep the upfront payment).

Pricing Suggestions, Hanging 2D Art

- There are several methods to determine a base price. A couple of these are noted below.

Square Inch Method: Height x Width = Square Inch

Ex: 16 x 20 = 320 square inches

Linear Method: Height + Width = ? x 2

Ex: 16 + 20 = 36 x 2 = 72 linear inches

Next, how do you price based on your square inches or linear inches? By applying a factor. Let's take the square inch method. A common method is to use a factor of 1.00 or 1.25 or 1.50, etc., all the way up to 3.00 or 4.00 (definitely very experienced "name" artists for these higher factors). Let's say you are relatively new to sales and you use a factor of 1.00 or maybe you are more experienced and use a factor of 1.50.

320 sq in X 1.00 = \$320

320 sq in x 1.50 = \$480

You now have your base price per square inch. Note: The linear method is similar – just higher factors.

- Once you have your base price, determine what you add for supplies and expenses and framing, where applicable. Add these to your base price. It is usually advised to add a little more. One artist always doubles the cost of the frame as a method to cover the expenses you don't think about, like electricity, the space in your home for your art, your gas when gathering supplies, your taxes, commissions you might pay, market fees you might pay, etc.
- It is interesting to note that none of the 2D artists in the discussion used an hourly rate. Why? Most painted art takes more hours than it is reasonable to charge for the artwork. For example, you decide your base factor is \$480 + your add-on costs and the final cost is \$575 and that is

consistent in the market for similar art. Let's say the painting took 40 hours to create and you feel you should make \$20 hour. Instead of \$575, your painting now costs \$800 (in actuality, you should still add costs and expenses to the \$800). If you assume that the \$575 is a reasonable price for the local market, you won't sell that painting at \$800. Some art just takes too long to create to sell at an hourly rate.

- When selling prints, ensure the prints are of the highest quality. One artist always prices her prints at: Cost of printing x 2 + little more for overall expenses

Example: Print cost of \$20 x 2 = \$40. Let's say she adds \$15 for expenses, gas, electricity, etc., the final cost would be \$55 for the print.

If the print is matted or framed, those costs should be added in.

Numbered prints can sell for more.

Pricing Suggestions, 3D Art

- While charging an hourly wage is unusual in 2D art, it is very common in 3D art. If a piece of sculpture takes 20 hours to make, it is very common to set the base rate as:

Hours x Hourly Rate = Base Cost.

Once the artist has their base cost, they frequently double that rate and then add the cost of materials and expenses to get the final selling price.

- Sculpture is an area where it isn't unusual to increase the price for an intricate piece of artwork.
- Jewelry artists usually use an hourly rate formula also and may increase the hourly rate based on complexity and jewelry components. For example, a beaded necklace may have 200 beads in it and the components are therefore more expensive than another necklace that only has 100 beads in it due to a difference in design, even if the amount of time to create the two necklaces are close. The components of the full beaded necklace determines that a higher cost is necessary and fair. Maybe the metal working on the necklace that only has 100 beads is time consuming and the metal expensive so that necklace could be more expensive than the full beaded necklace. To ensure the buyer understands the reason for the cost difference, it is always recommended to put the items that drive up the price on the tag. For example, "hand-knotted" or "200 semi-precious beads" or "hand-hammered copper". Jewelry sales is very competitive and you must sell your price to the customer by ensuring they understand why the piece is "special".
- Jewelry artists often have two different prices – one for wholesale versus one for individual sales.
- Pottery artists can be apt to charge based on the overall market averages. If the average handmade mug sells for \$12 in markets, stores, Etsy, etc., pottery artists will generally be in the same range and may vary the price based on the design. An intricate design will be more than a simple design but once they learn the average selling price of their products, they can set their selling price up or down depending on the intricacy of the design. When selling larger pieces, like

bowls, there is more room to set price but it is still unusual to see a piece outside of a certain range of pricing because that is what the local market will buy.