

# An Artist's Pricing Guide

By Phil Dynan

"Pricing" is one of the biggest challenges for an artist just starting out. Most commonly I see them pricing either too low or pricing wildly high. Neither is a good idea. It will help your career get off to a good start by setting up some guidelines for your pricing structure. Eventually, you will have a formula that works 90% of the time for your work.

It is very true that there is no perfect formula for setting prices on your art. BUT, there are several factors you should consider:

- 1) Materials (canvas, paint, paper, etc)
- 2) Time (pay yourself an hourly wage),
- 3) Overhead costs (rent, electricity, etc)
- 4) Framing
- 5) Size of work (some relevance)
- 6) Sales commission (gallery or otherwise)
- 7) Extra Consideration

I will suggest a sort of formula, but it is up to the artist to make a final determination.

I will now apply my formula to an acrylic painting on a 36x48 inch canvas. (I am thinking of a specific painting, "Open Heart" that I have completed.)

In Step One, I compute the cost of materials at \$250. This is based on a quality canvas (\$100 + shipping charge of \$40); one good quality brush (\$30), and one quart of quality paint (\$ 80).

*I used more than one brush and I used several colours, but I use the price of 1 brush and 1 pot of paint to cover all the wear and tear the painting incurred; rather than trying to account for every drop of colour and every bristle I had to shave off my favourite brush.*

Step Two: For this particular painting, I include only my time spent painting. (20 hours at \$20 per hour = \$400). I do not include my concept, drawings and planning – and I have a good reason. I do not want to track that time or be bothered trying to shorten it – I want to use my full creative powers, without any interference from possible "time constraints". You may feel differently.

So far, we are up to \$650 on my piece, "Open Heart".

Step Three: Overhead. I do not claim overhead on my income tax and do not bother computing it in the price. But you may feel differently than I do. Maybe you have to rent studio space, for example. (I don't.) And I don't want the government questioning my decisions and measurements of "home office use", so I don't claim it.

Step Four: Framing. I use high quality gallery canvases. There is no need to frame them. Personally, I believe the artist who spends time and money on framing is wasting time, at best, and, at worst, limiting their possibility of sales by selecting framing that some potential customers won't like. A bad frame can kill a sale. *If you do use a frame, I suggest you add the price to "materials" in step One and don't add anything extra.*

Step Five: Size of work. Well, it would be ridiculous to sell a 3x4 foot painting for \$100 – and just as ridiculous to sell the average 8x10 painting for \$1000. So I merely consider the size as a relatively small factor in pricing. Time and materials have already dictated a higher price on "Open Heart", so at this point, I'm not concerned about size. I am within a "normal" range for the gallery that represents my work.

Step Six: Sales Commission. I add up all previous expense considerations and add that same amount again to the painting – doubling the price now, so that it stands at \$1300. If a gallery sells this work, they will likely get 40 or 50% of the price, and I'm OK with that. If an amateur organisation or club sells it for a 25% sales commission, I will make an extra 25% in profit – which is also fine with me! If I sell it out of my home, I make a 50% sales commission and I'm going to celebrate by treating the client to a bottle of bubbly.

Step Seven: Extra Consideration! This is the tricky bit. When I'm at this point, I consider things like relevance to the market, relevance to the particular exhibit venue, and my personal feelings (like, "how badly do I want to sell this piece"). I may lower the price slightly in order to sell it faster – which means if it sells quickly, I get all my materials back and a little less than \$20 an hour for my time. Or I may raise the price. In this example, I was thinking about a particular painting. "Open Heart" has great relevance to my personal life and to the market, so I raised the price to \$1800. When it sells, I will get a "compensatory" payment of \$500 for letting go of this piece. I'm satisfied with that "settlement".

My work sells on a regular basis and has for over 40 years. It has been in great demand at times during my life, but my sales chart over all those years looks like a roller coaster. If your work is in heavy demand it is not likely that you'll be reading a "guide to pricing" and my advice is: **be real**. Use the guidelines realistically. You are probably not worth \$500 an hour at this stage of your career, so don't add a figure like that into the equation. Your mortgage payment may have been \$1200 while you painted your masterpiece, but the government will not allow you to claim the whole house

as necessary to the painting...so don't try to claim it! (If audited, you'll pay more tax *and* a penalty for claiming more than is reasonable.)

You will have to experiment with this pricing guide. Adjust the formula. Track your number of hours painting for 2-3 months. If you are a beginner, don't try to bill for every hour – you'll gain experience and become faster. Buyers don't want to pay for your "training time". Eventually, you won't have to track time and materials, a pattern will develop over time and pricing will come quite naturally. You will also learn to work with the current market.

My last "guideline" is the most important: Your work must be the same price everywhere and anywhere it is advertised or exhibited. Online, in a gallery, or in your home – the price must always be the same. *This is a hard and fast rule that every successful artist sticks to, and for good reasons.* You can always give a friend a "discount" or allow a gallery to "negotiate" a lower price with a valued client, but the asking price must always be the same. I can't stress this enough.

A couple of "worst-case" scenarios:

#### Inconsistent Pricing

An example of someone who did not follow this advice (above) is a very well-known and once-popular painter known for his "paintings with light". At one time he rode the crest of popularity with "mini-galleries" inside framing shops and constant print-signings in his own "galleries". But eventually, his price tampering resulted in many, many lawsuits and a severe drop in both his reputation for honesty and his sales.

#### "Trading Art"

Another very famous artist, who has had his work on US stamps and border-crossing billboards, tried something else you should avoid: "trading art for other considerations" – without declaring the income. In that artist's case, he spent a year in a Federal Penitentiary for trading a painting for an island – and neglecting to mention it on his income tax statement. It is always best to get paid for your work – and then pay someone else for what you want with that money. Trading is not a great idea, especially if it is done to escape the taxman.

Hope you enjoyed this example of my formula for pricing my art. Now get back to painting . . . and good luck selling your work!

