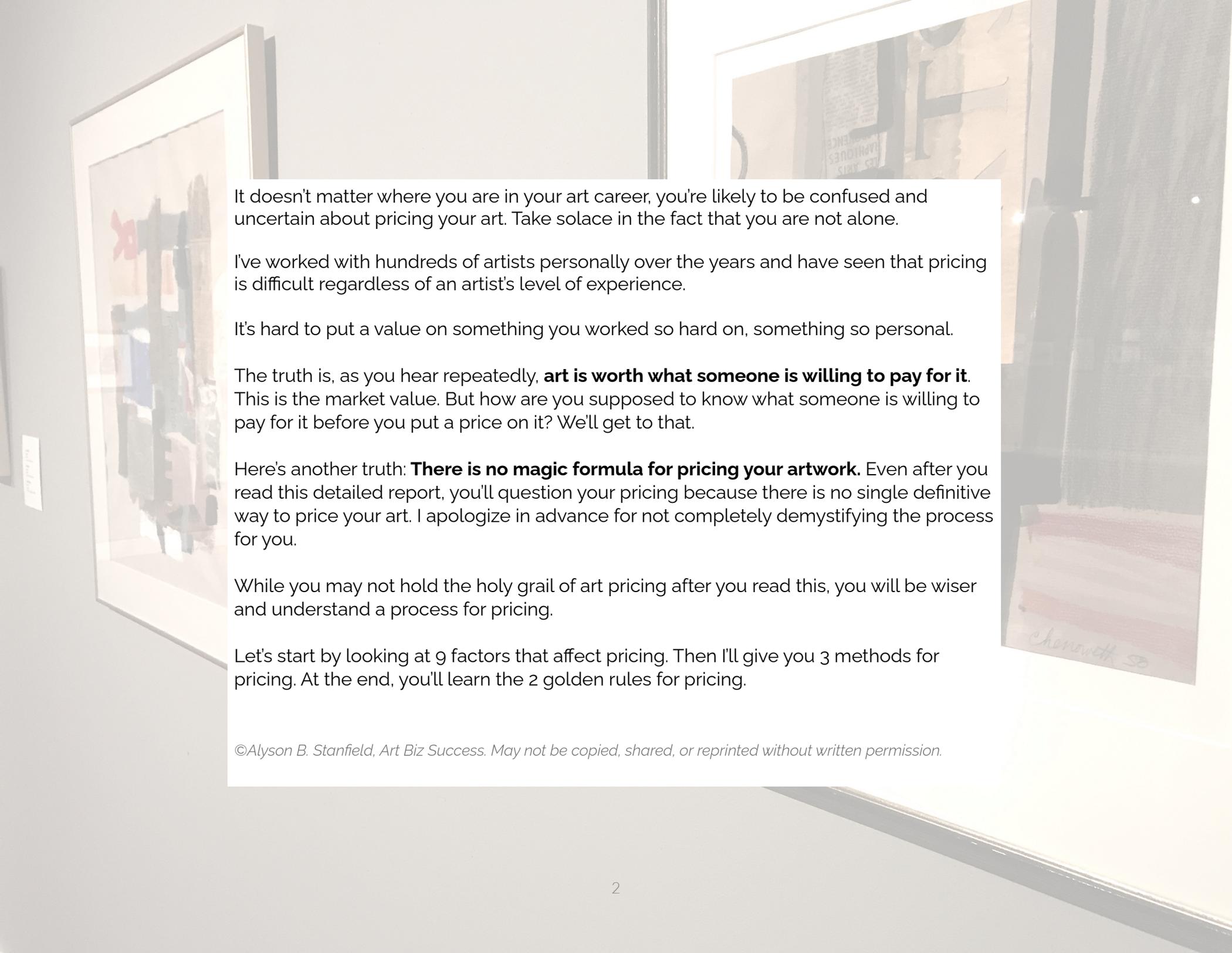


How to ...



PRICE YOUR ART



It doesn't matter where you are in your art career, you're likely to be confused and uncertain about pricing your art. Take solace in the fact that you are not alone.

I've worked with hundreds of artists personally over the years and have seen that pricing is difficult regardless of an artist's level of experience.

It's hard to put a value on something you worked so hard on, something so personal.

The truth is, as you hear repeatedly, **art is worth what someone is willing to pay for it.** This is the market value. But how are you supposed to know what someone is willing to pay for it before you put a price on it? We'll get to that.

Here's another truth: **There is no magic formula for pricing your artwork.** Even after you read this detailed report, you'll question your pricing because there is no single definitive way to price your art. I apologize in advance for not completely demystifying the process for you.

While you may not hold the holy grail of art pricing after you read this, you will be wiser and understand a process for pricing.

Let's start by looking at 9 factors that affect pricing. Then I'll give you 3 methods for pricing. At the end, you'll learn the 2 golden rules for pricing.

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9 FACTORS *for Pricing Art*

1. Production Cycle

A production cycle is the length of time it takes you to complete your work.

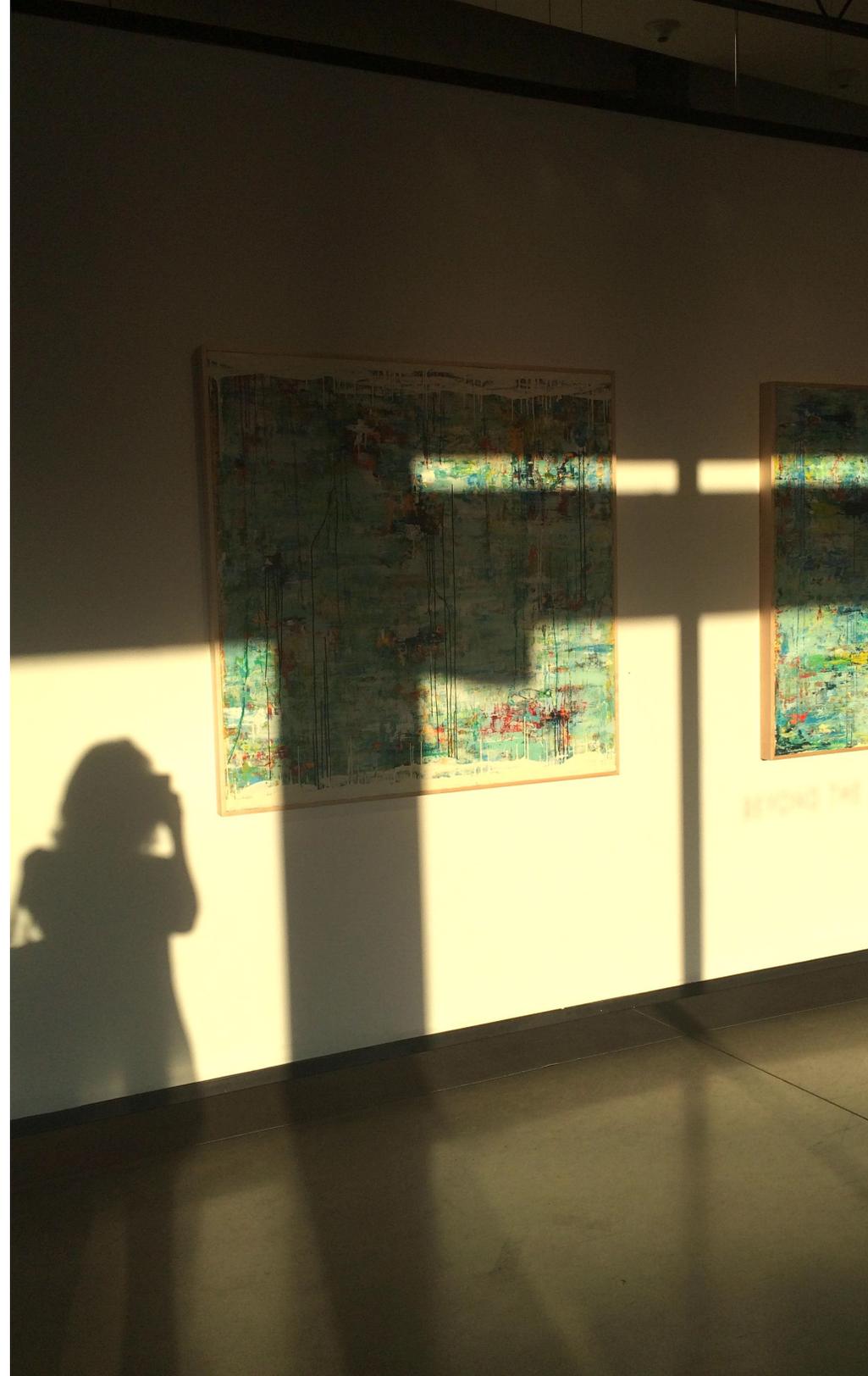
If you work faster and are very prolific, your prices might be lower than an artist whose work takes months to complete.

If your work is very intricate or, for whatever reason, takes weeks or months to finish, then you are at a competitive disadvantage. I urge you to try and find some way to reduce the production time that you spend on your work.

Artists who have longer production cycles usually expect to be paid for all that time, but that's not how it works. The market will not bear that. The market will not pay you an hourly wage for six months, especially when you're just starting out. Find a way to shorten the production time for your art.

2. Market Demand

Remember that lesson about supply and demand from your economics 101 class? It applies to your art as well. If you are selling out of inventory ... if you can't keep up with the demand ... it's time to raise your prices.



3. Size of Artwork

Larger works are usually more expensive than smaller works.

This may be self-evident but you have to consider this when you think of the costs that go into the work you're making. Those larger works, obviously, use more materials, so your investment is greater to recoup.



4. Medium and Support

A fourth pricing factor is the medium and support you choose. Getting straight to the point: Works made from higher-priced materials have a higher price tag on them. Duh, right? If only it were that simple.

Let's look at two-dimensional works. Works on canvas or panel almost always command more than works on paper. There is a higher perceived value for works on canvas. (Don't shoot the messenger.)

But then there's that whole framing thing. You have to frame works on paper, which adds a lot to the price. If you have works on canvas and works on paper and are trying to price both of them per square inch (which I'll get to in a minute), you need a lower price per square inch on the works on paper because you want the canvases to be a higher price. The market expects this.

How do you make sure works on canvas are priced higher even though the framing is such a big expense? It's a struggle for my clients who do both works on paper and canvas. It will take some massaging of your pricing methods when you work on both types of support.

Now on to three-dimensional works. Bronze sculptures have higher prices than carved wood because the production and bronze are more expensive than the wood.

Daniel Grant, who has written a number of art business books, has said that the bronze sculptures are generally priced three times the foundry price, so I'm just going to go with what he says because I trust him. I don't know how bronze artists can afford to have anything cast without a financial backer or pre-sales because it's so expensive.

When pricing your art, look at the materials that you're using —the cost and the perceived value of the materials.

5. Production Work (Including Digital Prints)

Many artists have production work that is different from their one-of-a-kind pieces. Potters have molds they use repeatedly to make the same form. Jewelers have elements that they hire studio assistants to replicate. Painters have digital print reproductions, now known as giclées.

These giclées are different than art that was created *in the form of* multiples. For example, bronze sculpture and fine-art prints are conceived as multiples. They are made in limited editions and then the casts or plates are destroyed, yet each is considered an original.

Production work is always less expensive than one-of-a-kind pieces.

Let's talk more about giclées since these are such a popular option for artists. Barney Davey's e-book, *How to Price Digital Fine Art Prints*, contains sound advice from a number of people in the digital print business. I want to share with you some interesting insights that I discovered in that book.

A reminder that this discussion does not pertain to fine art prints like etchings, engravings, woodcuts, or monotypes, but only to digital reproductions.

One person in Barney's book suggested that digital fine art prints should be priced at a percentage of the original piece. Let's say your original is on the market for \$1,000. Then maybe your prints are 10% or 20% of the original price, so you would sell your prints, say, in the \$100-200 range.

Another way to price your digital prints might be the production costs. If the print company charges you \$25 for

this print you might multiply that by four or five and sell it for \$100 or \$125. Artist Mary Erickson, who has considerable experience in this area, says: *Art Publishing Industry standard has always been ten times printing cost. That way, you can sell to a gallery or retailer for 50% and still pay your mortgage, utilities, clothes, food, and retirement.*

Of course, your print prices would be grounded in all of the other research you have done so that you're not pulling a number out of the hat.

The other thing to consider in pricing digital multiples is open versus limited editions. Most artists who make digital prints do open editions, which is expected. Some in the industry refer to them as "poster prints."

If you decide to do an edition, the smaller editions are priced higher than larger editions. By smaller, I mean fewer in number: 10 or 20 copies rather than 500. And remember, they're only priced higher if there's a higher market value for them—if you have the people who are willing to pay the higher prices.

Imagine you're doing really well selling your digital prints for \$1,000 and then decide to release a new edition limited to five prints. You could, perhaps, price the limited edition at \$2,000. This price jump is impossible when you're selling your prints for \$125, so limited editions for lower-priced reproductions don't make sense.

Finally, when producing multiples, all works in an edition are priced the same and each size has its own edition.

6. Consigned Work

When you show your work with a commercial gallery, you are consigning the work for sale. It's standard that galleries take 40% to 50% commission on the sales of your work.

If gallery representation is a goal of yours, you must build this 50% commission into your pricing from the very start in order to avoid increasing prices dramatically in the future or losing a lot of money. If you sell the work, you have earned the commission for yourself. Likewise, if a gallery or other agent sells the piece, the 50% they earn won't be as painful for you because you priced the work correctly.

You should never sell your work for one price out of your studio then ADD a commission if it is sold elsewhere. Gallerists look unfavorably upon this practice and will drop you like a hot potato if they find out.

You have one price and one price only for that artwork. If you sell that piece for \$1,000 from your studio, then you'd better be ready to agree to a \$1,000 price tag on it at the gallery. I absolutely cannot stress this enough. You have one price for that piece of work, regardless of who sells it or where it's sold.

7. Commissioned Art

A commissioned artwork is a work of art that you agree to execute according to the wishes of the buyer. Commissions are common for those who paint people, house or pet portraits, and for artists who make work for buildings and public spaces. Commissions are the bread and butter for many artists. Other artists despise commissions and are better off avoiding them.



Sculpture by Virginia Folkestad

Commissions can originate from an individual, a company, a gallery, an art consultant, or a municipality or other government agency.

Commissioned artwork should command higher prices— as much as 50% more—than similar art you make for yourself. After all, you have to make sure it pleases someone else. And there is what I call the PITA factor that comes with commissions. This is the pain-in-the-ass factor of dealing with other people and their whims. You should get paid extra for that!

Note: The word "commission" can also refer to an agent's fee (usually a percentage) for helping you sell your work. See [Consigned Work](#).

8. Geographical Location

Artists who sell in smaller or more economically depressed communities have often found it difficult to ask for prices similar to artists in larger cities.

I argue that if you're trying to sell beyond your local community and online, you no longer have only that small-town audience. You have a larger market ... a world market.

You don't have different price points for different geographical locations. (Remember: 1 price only.) So maybe there are just 8 pricing factors.



9. Career

The last pricing factor might be the most important: your career. This is simple. The longer you've been in business and the more art you've sold, the higher your prices can go. You're in demand.

Artists who have gallery representation usually have higher-priced work because of the efforts the galleries make on their behalf and the prestigious connections that galleries have.

The more solo exhibitions and museum shows that you've had, the higher your prices can be. This is why your exhibitions record is important and why gallery representation can increase your prices.

Even with all that fancy stuff on your resume, your prices can never exceed market value, which is, again, what someone is willing to pay for it.

Now that you understand the variables, let's look at 3 methods you can use to price your work.

Thanks again for being so committed and engaged with your students. When I signed up for this course I did not expect the level of attention you provide to us, it makes a huge difference and exponentially increases the value!

—LYNNE MITCHELL



3 METHODS *for Pricing Art*

1. Actual Costs Pricing

I'll start with actual costs pricing only to show you the most extreme pricing method. In its simplest form, it's three steps.

Step 1: Determine your overhead costs.

These are all of the costs that you incur in your art business: materials, office supplies, technology, rent, utilities, insurance, ... Throw it all in there.

Step 2: Figure out the overhead costs per artwork—calculated on an annual basis.

Overhead costs per year ÷ Number of works made that year
= Overhead costs per work

Step 3: Calculate the cost.

Overhead cost per work
+ Labor (your hourly rate)
+ 10% profit margin
+ Commission paid
+ Framing

Sales Price

As I said, I think this is extreme and I don't expect you to ever do this. **What I do expect is that you know Step 1, which is**

what your overhead costs are. If you're trying to make a living, you need to know the costs of everything that contribute to your business.

Some version of actual costs pricing must be used by sculptors who have high overhead costs, such as expensive materials and foundry production.

For artists who don't have those high expenses, there are numerous problems with actual costs pricing.

First, it's laborious. Second, it doesn't account for the varied production cycles of many artists. For example you may have really high overhead costs but only produce a couple of works a year. It's absurd to assign all of your overhead costs to two works of art. Third, you would have to use your expenses from the previous year since most artists don't stockpile their work until the end of the year when all of their expenses are known. And, fourth (and most importantly), actual costs pricing doesn't consider the market.

So let's consider the market.

2. Market Pricing

This is the most important method because you learn where you fit in the art sales market. You must know this.

To begin your market pricing strategy, conduct research to find comparables to your work. You're looking for **artists who do similar work, use similar material, and are at a similar spot in their careers.** Be sensitive to how your work is different from someone else's and why you should price yours differently.



Ann Cunningham at work.

You can find a lot of prices online, but galleries don't generally post their prices online. You will have to visit galleries to research those prices.

Your focus: ***Where in this market do my work and I fit?***

During your research, notice those red dots and SOLD labels. Prices don't mean much unless the work is actually selling. Pay attention to Facebook because artists often brag about selling their work.

While market research is the best place to begin, it still isn't easy. You will continue to question your prices. This is just

part of being an artist with your own business. You need to be okay with this uncertainty. I hereby give you permission to be okay with not being okay with your prices. (!)

3. Square-Inch Pricing

Square-inch pricing is a popular way for two-dimensional artists to figure out their prices and only works in conjunction with the other two methods mentioned. It can save you a lot of headaches.

Begin by calculating the surface area of each piece. For example, a 16-by-20-inch work is 320 square inches. If you charge \$2 a square inch, you know that piece is going to be \$640 (320 x \$2).

Even though that dollar amount, ultimately, is easy to come by, it has to be based on something. You can't just pull the square-inch number out of the blue, as many self-proclaimed artist gurus have suggested. It comes from your market research, your pricing formula, and your overhead.

Square-inch pricing is a good starting point, and ... it's can only be a guideline. Adapt it to a sliding scale. For example, if you make a variety of sizes, your small work might be \$2/ inch while large work could go down to \$1.50 or even \$1 per square inch.

A word of caution: Do not tell people that your work is \$x a square inch. Use the number as a calculation behind the scenes because per-square-inch sounds like you're selling flooring or tile. It doesn't sound like fine art pricing. Keep the magic formula to yourself.



2 GOLDEN RULES *for Pricing Art*

The first golden rule for pricing your art is ...

You have 1 price and 1 price only for your art—regardless of where you show it.

You do not want collectors finding out that you have offered a lower price to someone else. And you certainly don't want your gallery discovering this misbehavior. Nothing will get you dropped from a gallery's stable faster than undercutting your agreement with them. I covered this on page 6 of this report.

The second golden rule for pricing your art is ...

Start low and raise your prices as circumstances warrant.

It's easier to start low and raise your prices than it is to lower your prices later. You don't want to discover that you're overpriced in the market. (But you did your market research so this won't happen, right?)

Next year you may kick yourself that you sold this work so inexpensively, but you sold it. You got it out there and tested it. Move on.

Having said that, it's important to be very clear about the value of your work. That's why you go through the actual costs pricing and market research.

When you price your artwork too low ...

- You end up not paying yourself enough for the work you have done, the materials you have used, or your overhead costs. If this happens, you won't be in business long.
- You find it difficult to raise prices dramatically once you discover you're losing money because the audience you created will no longer be able to afford your work.
- If and when you seek others to sell your work you may receive only half of the retail value. This is a big hit if you haven't built it into your commission structure.
- You contaminate the entire market and become known (not in a good way) as "the cheaper artist." Buyers begin to wonder why the work by earnest and professional artists is priced higher. Other artists begin to resent you, and rightfully so.

You can be confident in the value you're assigning to your work when you do the research to understand art pricing. You'll continue to question it, but at least you'll be taking the right steps.

Build on your pricing confidence in my comprehensive artist business training program.

Establish Yourself: ESSENTIALS for Artist Success
Find details —> <https://artbizsuccess.com/essentials>

You provide so much valuable information and support, and in such a way that shows you and your staff really care. You lay out the steps to take, pitfalls to manage along the way, and continual support making it easier for me to follow through.

I've participated in other webinars and worked previously with business coaches but your programs rank far above them.

—LAURA BETHMANN



Alyson B. Stanfield is an artist advocate, workshop leader, art historian, and art business coach.

Alyson is the host of The Art Biz podcast, author of *I'd Rather Be in the Studio! The Artist's No-Excuse Guide to Self-Promotion*, and leader of the Art Biz Connection community for ambitious artists. Through these, her blog, live workshops, and online classes, she has helped thousands of artists who want to make more money, increase their recognition, and leave an impact on their communities.

She loves to help intentional artists who take charge of their futures. You're invited to join her in her comprehensive program, **Establish Yourself: Essentials for Artist Success**. It's full of tools, processes, and business systems for beginning and emerging artists as well as for artists who are rebooting and refreshing their businesses.

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