

Knowing your creative value

and how to price your work.

Arts
Students'
Union

A guide by UAL Arts
Students' Union



First things first, never feel bad about charging for your work.

It sounds obvious, but when it comes down to it and someone asks you how much you want for one of your creations, it's very easy to feel a squirmy feeling in your stomach and your mind go blank... so be prepared!

But also remember that you are putting something into the world, and if someone wants to buy it, then know your creative value and feel that financial fulfilment as much as the joy of making.

Work Out What It Is You're Selling.

This sounds obvious but let's categorise:



One-off

Only one of it exists in the world and will only ever exist in the world; just like you! It's precious, therefore that's its USP – *Unique Selling Point*.



Series

It has lots of different parts that make up one body of work, fashion collections are a great example of this, but also think of certain famous artist's 'blue period', they're a run of creativity tied together by themes, ideas, concepts or formal qualities like colour. It's up to you if you would like to sell the series individually or collectively – but also dependent on the buyers.



Print Based Works

Consider how many runs of a particular print you might do, and a top tip is to always retain a couple of Artist proofs (AP's) for your own archive that you may wish to sell on later on down the line. These can exist outside of the run of '500' (for example) that you might decide to make to sell.



Performances and Temporal Works

Often these are works that will get commissioned rather than sold, but not all the time! Consider the different elements that make up your performances and any elements such as props that are integral to the work also.



Breaking Down Your Costs

Before you do anything else, you should consider your expenses in making the physical work and make sure to factor in covering them. This will be your base on top of which you will add your artist fees and other costs.

Keep hold of receipts or invoices to keep track of materials costs, even the cost of transporting materials is part of the costs of making!

Your Hourly Rate.

This is based on how much time you can dedicate to your business and in principal how much you need to earn from your business. Consider the following questions:

1 How much time can you dedicate to your creative business per week on average? Hours? Days?

2 How much do you need to earn from your creative business?

3 Do you earn solely from your making?

Overheads

These are costs associated to your business but not direct to one product or piece of work. For example:

Administration costs – the time you spend doing research, correspondence, working on logistics

Fixed costs – insurance, electricity, rent, internet

Marketing costs – website hosting, exhibiting, showing at fairs, paid adverts, printed resources, business cards, campaigns

Pricing Experience

In addition to your costing for making work, another notion to consider when you are pricing your work is your own perceived value as an artist.

This 'value', difficult to pin-down and unique to each artist, is increased by milestones such as:



The more of these 'markers' you pass in your career, the more you justify an increased price to someone buying your work – and the more you can reasonably charge.

Pricing Guide

The below guide from A-N The Artist's Information Company really useful in benchmarking your day rates and very useful to cite when you are approached to make a piece of work for someone or in the commissioning process.

Experience Level	Annual income (Excluding overheads)	Day Rates - Overheads £5K per annum	Day Rates - Overheads £10K per annum	Day Rates - Overheads £15K per annum
New Graduate	£29,577	£198	£229	£261
1 Year	£31,287	£208	£239	£270
2 Years	£33,843	£222	£253	£285
3 Years	£36,113	£235	£266	£297
4 Years	£37,987	£245	£277	£308
5 Years	£39,538	£254	£286	£317
6 Years	£41,250	£264	£295	£327
7 Years	£42,964	£274	£305	£336
8 Years	£44,678	£284	£315	£345
9 Years	£46,386	£293	£325	£355
10 Years	£48,100	£303	£334	£365

(Via a-n.co.uk)

Example of a Pricing Model

Your pricing model is based on what you do and how you do it. This is traditional formula when pricing a product or piece of work. Pricing of piece example:

Cost Description:	Cost Value:
Direct material costs	£10
Your time <i>(Hourly rate multiplied by the time it took you to make the piece).</i>	£100 <i>(£20 per hour x 5 hours of work)</i>
Percentage of annual overheads <i>(See page 4).</i>	£15
Percentage profit <i>(For this example we are using a +40% profit margin).</i>	£50 <i>(+40% of total accumulated costs: £125 x 0.4 = £50)</i>
Total accumulative cost	£175
Retail mark-up price <i>(Recommended; Double the accumulative cost).</i>	£350 <i>(£175 x 2).</i>

Keeping Prices Reflective of the Market

Pricing can be based on a simple formula, though sometimes the final price is not that simple. Here are some things you should consider:



Profit

Include profit, no matter how small the percentage. The profit you earn is the money you can put back into your business, build up and invest in new equipment, training or simply contribution to your time off. When working out how many days you can dedicate to your business, base this on 48 weeks a year not 52, as you need to factor in time off for holiday or illness, you should also account for this time off in your profit margins.



Markets

A marketplace is somewhere to sell, this could be a gallery, a craft fair, an online shop such as Etsy; your own ecommerce website. Research into the markets you are aiming to sell your work and do your prices compare well, are they competitive?



Competition

Research into your market and try to have your prices similar to others. Are your prices similar or much more expensive or much cheaper than the other work you are aiming to show alongside? If they are much cheaper or much more expensive then this is not the right market for you. If your prices are much higher than your competitor, can you produce the work at a lower cost? If not and the work is still too expensive is this work viable product to sell?