

Pragmatic Pricing Worksheet

Even if you end up pricing your work using a market value or confidence approach, every artist should know the pragmatic price of their work so they can make good decisions regarding other aspects of their strategic planning. To determine a pragmatic price use the following procedure.

1. Determine your annual overall cost (using the overhead worksheet):
2. How many works/projects/performances do you create in a typical year:
3. Divide your annual overhead cost by the number of works per year: This is your **overhead cost per work**:
4. What do you want your pay per hour to be?
5. How many hours did you spend on the work/project/performance you are pricing?
6. What was the direct materials cost for the work?
7. What is the commission cost for the work (if applicable)?

\$
\$
\$
\$
\$
\$
\$

The pragmatic price for the work = overhead cost per work + (hours * pay per hour) + direct materials cost + commission.

$$PP = \frac{3}{\text{overhead/work}} + \left(\frac{5}{\text{hours}} * \frac{4}{\text{hourly rate}} \right) + \frac{6}{\text{materials}} + \frac{7}{\text{commission}}$$

Pragmatic Price = \$ _____

Adapted from Michels, Caroll. (2001), *How To Survive & Prosper As An Artist*. New York: Henry Holt and Company.

Overhead Worksheet

If any of the categories below do not apply to you specifically or to artists of your discipline, simply skip. Overhead should include any costs associated with your art business for items used over multiple projects. Do not include costs that are specific to one project. No need to go down into decimals on this one. Simply record whole dollar amounts. If you're not sure, make an educated guess. As you continue to improve your financial record keeping, update with more accurate numbers.

Record **YEARLY** amounts for each category. Be sure with monthly expenses such as rent or utility costs that you calculate the **YEARLY** amount or you'll be adding apples to oranges.

<p>Workspace and Associated Utility Costs:</p> <p>Do you rent or own separate studio space? If so these costs should be included here. If you do not rent or own separate studio space, do you use a designated portion of your home to create work and/or practice? If so, you should include a percentage of the costs you incur for your residence. If you use one of five total rooms in your home for your art practice, you should include 20% of your home costs in these categories.</p>	Yearly studio rent or mortgage or the appropriate percentage of your home rent or mortgage:	\$
	Yearly insurance on the studio space or percentage of your home insurance (if not already included in the amount above):	\$
	Studio electricity or percentage of home electricity (average yearly amount)	\$
	Studio gas/heating oil or percentage of home gas (average yearly amount):	\$
	Studio water or percentage of home water (average yearly amount):	\$
	Other workspace costs paid--trash, sewer, maintenance, etc. (average yearly amount):	\$
<p>Equipment and Service Costs</p> <p>Only include here costs that go over multiple projects or pieces of work. Any item purchased for a specific piece of work is a variable cost and should not be included in your overhead. Variable costs are included in your <i>pragmatic price</i> computed on the next page.</p>	Yearly total of office supplies (paper, printer ink, paper clips, etc.):	\$
	Yearly total of art supplies (paints, brushes, guitar strings, ballet shoes):	\$
	Percentage of yearly telephone expenses (Identify what portion of your telephone/data usage is related to your art business):	\$
	Percentage of your yearly internet access expenses (Identify what portion of your internet access is related to your art business.):	\$
	Yearly lesson cost (voice training, instrumental lessons, business skills lessons):	\$

Adapted from: Talbot, Johnathan. (2005). *The Artist's Marketing & Action Plan Workbook*. Johnathan Talbot.

<p>Vehicle Costs:</p> <p>Record the average yearly miles driven for business related activities. In the beginning you may have to make an educated guess. As you begin to keep better records for tax purposes, this will be a more accurate number.</p>	<p>Yearly business mileage _____ multiplied by \$0.55 =</p>	<p>\$</p>
<p>Insurance Costs:</p>	<p>Yearly insurance on artwork or instrument:</p>	<p>\$</p>
	<p>Yearly health insurance (if not provided by an employer):</p>	<p>\$</p>
	<p>Yearly dental insurance (if not provided by an employer):</p>	<p>\$</p>
<p>Advertising Costs:</p>	<p>Yearly total of website hosting/service fees:</p>	<p>\$</p>
	<p>Yearly total of website maintenance fees (if you hire a contractor to do this)</p>	<p>\$</p>
	<p>Yearly digital documentation costs:</p>	<p>\$</p>
	<p>Yearly costs for printed materials (business cards/post cards/brochures/thank you notes):</p>	<p>\$</p>
	<p></p>	<p>\$</p>
	<p></p>	<p>\$</p>
<p>Miscellaneous:</p> <p>There are many appropriate overhead costs that may not be included in one of the above categories. Do you belong to professional associations related to your art practice? Do you attend residencies or annual conferences related to your practice? Add here any items you do associated with your art work that aren't associated with a specific project or individual piece of work?</p>	<p></p>	<p>\$</p>
	<p></p>	<p>\$</p>
	<p></p>	<p>\$</p>
	<p></p>	<p>\$</p>
	<p></p>	<p>\$</p>
	<p></p>	<p>\$</p>
	<p></p>	<p>\$</p>
	<p></p>	<p>\$</p>
<p>Total yearly overhead costs</p>		<p>\$</p>