

# KNOW HOW TO PRICE YOUR WORK

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UNTIL YOU BELIEVE YOUR WORK HAS VALUE—  
NO ONE ELSE WILL EITHER

UNTIL YOU BELIEVE PEOPLE WILL PAY YOU  
WHAT YOUR WORK IS WORTH—THEY WON'T

UNTIL YOU CHARGE THE CORRECT PRICE, YOU  
WILL NEED ANOTHER SOURCE OF INCOME

UNTIL YOU CHARGE FOR ALL THE HOURS YOU  
INVEST IN YOUR WORK, YOU WILL BE  
UNDERPAID AND MORE THAN LIKELY UNABLE  
TO MAKE A LIVING AT YOUR WORK

COMMON THINGS (EXCUSES) PEOPLE SAY ABOUT UNDERPRICING:

--MY SIGNIFICANT OTHER MAKES A LOT OF MONEY SO I DON'T HAVE TO CHARGE THE RIGHT PRICE

--I'M RETIRED AND THIS IS JUST FUN SO I CHARGE WHAT I THINK I CAN GET

--I HAVE A FULL TIME JOB AND THIS IS JUST A HOBBY SO I JUST CHARGE ENOUGH TO REPLACE MY MATERIALS

--I HAVE A GREAT PENSION/INHERITED A LOT OF MONEY SO I DON'T NEED TO CHARGE MUCH (FILL IN WITH ANY OF THE ABOVE EXCUSES)

WALK A MILE IN SOMEONE ELSE'S SHOES

--If you undercharge because of one of the above excuses, or a variation on those themes, you make it almost impossible for someone who is trying to get paid a proper wage

If you are still learning and your craftsmanship or artistry is not as good as it could be, yes, that is cause for a lower price. And you will need another job until your work merits a higher price.

# YOU MUST PAY FOR YOUR BUSINESS AND YOUR LIFE

## WHEN YOU HAVE A SALARY, YOU ONLY HAVE TO PAY FOR YOUR LIFE

WHAT YOU WILL NEED TO KNOW/CALCULATE:

1. HOW MUCH DOES YOUR LIFE COST YOU?
2. HOW MUCH DOES YOUR BUSINESS COST YOU?
3. WHAT % IS MATERIALS OF YOUR BIZ COST?
4. HOW MANY HOURS CAN YOU PHYSICALLY MAKE WORK? THAT DOES NOT INCLUDE ORDERING GENERAL MATERIALS & EQUIPMENT, APPLYING TO SHOWS, LOOKING FOR INSPIRATION, CONFERENCES, WORKSHOPS, GOING TO GEM & MINERAL SHOWS, ETC
5. YOU MUST PRICE YOUR WORK LIKE YOUR WORK IS YOUR ONLY SOURCE OF INCOME

HOW TO CALCULATE ITEMS 1-5

#1 Go add up your payments last year—credit cards, checks, cash. How much did you spend on your non-business life? Food, electric, vacation, taxes, pension, children, school, clothing, whatever is in your life.

#2 Have a schedule C on your tax return? It's right there. No sched C? figure out how much you spent on your business. Same sources of payments as in #1.

#3 MOST do not spend the majority of \$\$ on materials. What % of all the \$\$ you spent on your business last year, which includes, travel, postage, fees for shows, exhibitions, workshops, was materials? My materials expenditures each year is about 10% of my total business cash outlays. Unless you buy a lot of gold, silver, gemstones, your materials cost will not be that high. Your initial year may be somewhat high due to stocking up on enamel, but you will last for a long time. If this number is 30% or more, reach out to me and I'll tell you what to do.

#4 you will need to track this for an average month. Use software on your phone, smartwatch, or an old fashioned piece of paper and track how much time you actually make work. not the time ordering materials and supplies (unless it is actually for a specific piece you are making), looking at inspiration, deciding how to re-arrange the workshop/studio, applying to shows, etc. actual physical time making. You will then multiply this by 12 to figure out how many hours a year you have to work.

#5 you will divide the number of hours you calculated in #4 by the total obtained in #'s 1 & 2. So let's say your life (#1) costs you \$60k. your business (#2) costs you \$20k. and your total hours you work in a year is 1,000. That would be \$80k/1,000 or \$80/hour.

That's it. You have to charge \$80/hour to the buying retail public for your work so you need to keep track how long it takes you to make something.

If you want to wholesale, then you need \$160/hour because you are only going to get half! And we know you need \$80k/year to cover all your expenses.