HELLO AGAIN!!!

This is Part 2 of my 3 part *'How to get the prices you deserve'* Webinar!

First, thanks so much for joining me and sending me all the great comments and questions. I'm going to address as many of those as I can. I'm going to be talking fast because this is a lot of info so this can be printed out and used as a workbook for figuring out your pricing structures.

So, In the last video I talked a lot about the ripple effect of working for free and undercharging, and how it can lower the standards for artists within the community.

We also want to create our prices without including fear in that equation. *"Don't let the fear of loosing a project dictate your worth."* But to do that, we need to know what we're talking about and know that the price we are presenting is a perfect reflection of the project and our ability to produce it. Which leads us into this into todays subject!

I'm sure you've thought about your prices since viewing the first video. What did you come up with? Are you stuck? If so, It's not uncommon. Especially when there are so many *things to consider*. For example…

1. How much experience do you have?
2. Are you presenting yourself in the most professional way possible? Your Brand Suite/Voice…
   - Do you have a website? Is your email XXX@yourwebsite. YAY!!!   Or is it a yahoo or gmail account? Boo. A yahoo or gmail account does not speak to a professional business… unless of course you actually work for yahoo or gmail.

- Do you have takeaways - this can be a biz card, brochure, postcard, etc?
- Do you dress for the job you want?
- Are your posts on social media reflecting the jobs/projects you want?
3. Are you confident, not arrogant, in your approach with clients?
   - You want a potential client to know, like, and trust you, even after just meeting you. That's the secret sauce. A client is more likely to hire someone they know, like, and trust vs. someone twice as good that they haven't worked with before… The unknown.
      - *KNOW* - Share a little about who you are, connect.
      - *LIKE* - Be personable, easy to work with, and LISTEN to their needs.
      - *TRUST* - Instill confidence so they know they can count on you.

Now on to actual pricing… Now, let me preface this by saying there is no magic number I can give you that will apply to everyone. I wish there was. Because I know this is difficult for everyone, including myself. But I'm going to give you everything I can to help you figure it out.

But the first thing I always recommend is to do your research. Every area/demographic is going to support a different pricing structure. For example, the prices for local small projects in Las Vegas (like a mural for a nursery) is less then it is in Los Angeles. But pricing for larger projects here in Las Vegas, especially if for a large Casino, for instance, is higher.

So I encourage you to do some investigating and see what others are getting (not just asking) for similar work in your area. Once you have an idea of the pricing in your area, I suggest creating a pricing structure for yourself. So…

What goes into your pricing structure formula?
1. Pricing in your area
2. Your education/experience
3. Your level of professionalism (we talked about this earlier)
4. Your expenses for creating your work
5. Your personal expenses

So… _Here are the 3 most common ways_ to price your work. I suggest figuring out your price for each. I preface by saying that the advice below is to specifically figure out pricing for project in your area. If you are working on a national level, you'll want to have your starting point be the national 'average'.

1. _Hourly rate_ - Hourly rate is pretty common for some artists and art agencies. Illustrators, graphic designers, muralists, etc. can all charge an hourly rate. The average hourly rate will depend greatly on your industry, your location, and your skill.   This can range from minimum wage to upwards of $100. My suggestion…
    - Start your formula with the minimum wage in your metro area.
    _____

    - Add $5 - 15 for your level of education / experience in this industry
    _____

    - Add $5 - 15 for your level of professionalism (Brand Suite/Voice)
    _____

    - Add $5 - 15 for anything that makes you extra special in your industry. This can be a special honor, project, recognition, etc.
    _____

    - Asses your total. How does that number sound to you and how does it rate with your competition.
    _____

2. _Flat Fee_ - _Price per project_. This is especially common for Illustration - as commissions. Again, depending on complexity of design and usage, a flat fee can range from a few hundred dollars to a a few thousand. Many times commissioned illustration projects will have a price dictated by the client. This can sometimes be negotiated if it isn't what you think it should be. But of course, you have the right to decline if the pay isn't what you wish to receive.
    - What are your specifics? _____

- What is the average price you see for something similar in your area?
  _____

- Is your work at a higher/lower level?
  _____

- Is your experience/portfolio at a higher/lower level?
  _____

3. _Fine Art_ is also priced per painting, usually based on size, complexity, and materials used.
    - What are your specifics? _____

    - What is the average price you see for something similar in your area?
    - _____

    - Is your work at a higher/lower level?
    - _____

    - Is your experience/portfolio at a higher/lower level?
    - _____

    - Did you matt/frame it? If so, what was the cost?
    - _____

    - Price per inch is not unheard of and would be figured out by multiplying the width X the height. For example. A painting that Is 24 x 36 inches would be a total of 864 sq inches. If your price is $2 per inch, your total would be $1,728…But I'd round that number up to a nice $1,800.
    - _____

    - Of course more detailed work should be higher in price because more time goes into each square inch.
    - _____

- Now add the cost of your framing, if any.
- _____

- That price would be your take away. If hanging in a gallery, they would double that price for a 50/50 split.
- _____

4. *Day Rate* - A day rate may not be necessary for everyone but I've found it's a great # to have on hand. It is the price that will get you excited to hop out of bed in the morning :) Whatever you're doing, you should be getting at least this amount for a days work because you're awesome and you deserve it.
    I use this for murals, festivals, events, retouching projects, etc. So if I know the project will take two days to complete, it's an easy equation.
    There are a few ways to figure out your day rate and this is really dependent on several factors again....Your skills, experience, referrals/reputation, portfolio, and the basics like average rates in your area and how much money you actually need to survive. Let's start with that last one...
    - What are your monthly expenses - include everything - rent/mortgage, utilities, insurance, groceries, car, gas, etc.

      _____
      _____

    - Subtract any other (steady) income from your monthly expenses total.

      _____

    - How many days a month can you/or would you like to work. Do you hope to work 5 days a week for 4 weeks = 20 days? Or can you only work 3 days a week because of other commitments, or because you want to spend the rest of your time on a beautiful beach somewhere :) That's the beauty of a freelance life. You make the rules, right?

      _____

_____

- Now take your monthly expenses total and divide that by the # of days you intend to work. Round it up and give it a little love.

_____
_____
_____

How does that number sound to you? Think about having to create a commission tomorrow at your day rate. Does that # make you excited to get up in the morning? Is it too low?

- Does it sound too high for your skills and experience? What about compared to what other artists ask for in your area?

_____

- Are you making a profit? Your profit should be between 20 - 30% percent. So, if your day rate is $100, your profit should be $20-$30.

_____
_____

- A day rate does not include supplies but it does include whatever you can do within your 8 hour day, or however many hours your day rate includes. Just make sure that's clear in your terms and conversations. But if for some reason you have to work 10 hours instead of 8 because of some unforeseen issue, you will eat the cost of that adjustment.   You should always have a clause in your contract stating that if the client requests a change to the scope of work during or just before production, you will create a change order and charge an hourly rate to make said changes. This is usually more than you usual hourly rate.

_____

Now, I highly suggest creating a price sheet for yourself. Keep that on file, keep it pinned up somewhere, with your brand suite. etc. This is for your eyes only, unless you want to create something to present to new clients. Though I'd consider creating one for each of your pricing scenarios.

I wouldn't send your hourly, flat, and day rates to a client all at once. They will most likely ask what your rates are and you can reply based on the type of project it is and what you think makes the most sense. Or, they'll just be upfront and let you know what and how they pay. This is where you make that difficult decision… Is that what I want to make? It is too low? Is it way higher? YAY!!! Happy Dance!

But, the most important thing is to get the project details, and your fee, and payment schedule in writing BEFORE you begin anything.

PLEASE, if you take nothing else away from this webinar it's that you should 100% know and understand the deal before you put that pen to paper. And you should do your best to get a small deposit especially for larger projects. I never spend a dime until deposit is paid. And we make sure to let the client know that ahead of time. Otherwise they'll wait 30 - 90 days to get your money to you.

In addition. Deposits should be non - refundable. The only time we've ever refunded a client is when we decided we just didn't want to work with them. We sent the money back and washed our hands of them.

So. I would love to answer any question you have about pricing - leave a comment below or email me directly. I'll be sure to address it next video or personally if you wish. Next video we're going to talk about turning that one time client into a very happy repeat client.