

Calculating Gallery Pricing

Artists who sell through a gallery or rep that takes a commission need to adjust their pricing so that once the commission is taken, they end up with a reasonable profit.

Here's a formula you can use to price your work so that you end up with what you want for it after the commission is taken from the sale.

Let's say you want to make \$325 on a painting, and the gallery takes a 40% commission on the sale. If you price it at \$325, once the gallery takes their 40%, (\$130) you end up with \$195.00 — nowhere near \$325.

If you simply add the commission percent to your price, you'll end up with less than what you expected.

Add the 40% commission, and you get \$455.00: $\$325.00 + 40\% (\$130) = \$455.00$

But, if you price your work at \$455.00, you end up with just \$273.00 after commission: $\$455.00 - 40\% (\$182.00) = \$273.00$

So, how would you end up with \$325 after the sale?

You'd need to price the work at \$541.67 to end up with \$325.00 after the sale.

Here's the trick!

Divide by the *remainder* of 100% minus the gallery's commission.

In this example, you'd need to divide your price by 60% (.6), because the gallery takes a 40% commission. ($100\% - 40\% = 60\%$)

If the commission is 50%, divide by .5

If the commission is 35%, divide by .65

If the commission is 25%, divide by .75

etc.

Use this formula:

$$x \div r = p$$

where: **x** = the price you want

r = the remainder of (100% - commission%) and

p = the price you list

Here's the formula for this example: $\$325.00 \div .6 = \541.67

So: $\$541.67 - 40\% (\$216.67) = \$325.00$

Here's another example: If you want to make \$100 on a painting, and the gallery takes a 15% commission:

$$100 \div .85 = \$117.65$$

Of course, you'll probably want to round the prices off to the nearest even number.

If you're familiar with spreadsheets, here's a little calculator I made for gallery pricing. Enter the formulas into the appropriate cells in a spreadsheet to make your own.

Using this calculator, I just enter my desired earnings (*how much I want once the commission is deducted*) select the commission percentage from a drop-down list, and the rest is calculated for me.

	A	B	C	D	E
1	TITLE	EARNINGS	GALLERY COMMISSION	BALANCE	SALE PRICE
2	Landscape 1	\$325.00	40%	60%	\$541.67
3	Enter Title Here	Desired Earnings	0%	=(1-C2)	=(B2*(1/D2))

Row 2 shows what is displayed after the calculations.
Row 3 shows the formulas for each cell.

0%
15%
20%
25%

Gallery commission selected from a drop-down list