



AN ARTIST'S GUIDE

TO FINANCES & TAXES

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A BETTER RELATIONSHIP WITH MONEY

HOW TO DEVELOP STRATEGIES TO BOTH SAVE AND EARN MORE FROM YOUR ARTWORK.

Let's Talk About Money

Money can be a taboo subject—but keeping quiet about it won't make it go away.

As artists, we need to develop a healthier relationship with money, or else we'll never be able to make a living from our work. Especially for artists who didn't grow up in upper-class families or families where the arts weren't valued, putting a high price on their artwork can make their skin crawl.

On the other hand, having an unpredictable income month-to-month is also extremely stressful and leads to money insecurities that damage our ability to objectively handle our finances.

We need to get over these mental blocks by cultivating a healthier relationship with money and that starts with how you manage your own money from your art business.

Take a look at these five money management tips for artists.

Arm Yourself With Knowledge

“One of the reasons people have a poor relationship with money is misinformation or lack of information,” remarks clinical psychologist Joe Lowrance. That's when anxiety about money starts to creep up on you and take over your day. Because, how can you fix a situation you don't understand?

If you want a better relationship with money, you need to learn as much as possible about running your art business and handling finances the right way.

Luckily, there are so many resources available for artists these days.

Start by reading books and blogs specifically for artists. Listen to art podcasts. Ask other successful artists for their advice. That pesky cloud hanging over your head won't ever go away unless you actively do something about it.

Tackle the Problem Head-On By Developing a Strategy

“By brushing off the financial side of a career in the arts, artists are practically ensuring that they will be unfulfilled personally, professionally, and financially,” explains artist and financial advisor Elaine Grogan Luttrull.

Luttrull suggests first changing your perception about saving: “You have to realize that having cash reserves isn't just a good thing financially; it also means you don't have to accept some job that you don't want to do.” It gives you more freedom to focus on your passion—and saving is easier when you keep this goal in mind.

Make a monthly budget by noting all of your expenses (art business, housing, utilities, gas, groceries, loans, entertainment, etc.), plus how much you want to add to your savings fund, and comparing it to your average income.

An art inventory system helps you track your expenses, so you'll know where all of your sources of income are generated, where your money is going, and what you can write off. More than that, you can tie your expense records to a client within the database, gain insight into how much you are spending in certain categories (advertising, supplies, rent, etc.), and get one-click expense reports.

Really examine your purchases and ask yourself where you can save. Do you need that five-dollar cup of coffee each morning or can you brew some in the studio? Can you buy art supplies cheaper in bulk? Can you eat out once a week instead of twice? Always be sure to take care of your needs before your wants!

Sticking to a budget and using saving goals and schedules with the worksheets at the end of this guide will help with the stress of living with a variable income.

Open Yourself Up To Abundant Possibilities

Gallery representation and selling at art fairs are standard and known ways to make money as an artist. But, there are many more opportunities to bring in income that many artists unknowingly leave on the table.

Artist grants, social media, teaching workshops, licensing—all of these opportunities to make money can be more constant than art sales alone or can at least supplement your income when sales are slow.

That way you aren't putting all your eggs in one basket with fingers crossed that it all works out. Talk about stressful! Instead, give yourself options when it comes to making money. Learn more about how to build multiple revenue streams to lighten the financial load [here](#).

Know What Your Work Is Worth and Stick To It

Always undermining your art prices during a sale or losing out on business because you're disorganized won't get you where you need to be financially. Here are a few things you can focus on when it comes to actually making a living from your art.

First, examine your pricing strategy. Take costs like materials, shipping, and especially your time into consideration when determining your price so that you stand to make a profit from each art sale.

Using a consistent pricing formula will help you skip the frantic, "I don't know what to charge!" phase and keep you from undercutting yourself while talking to an interested buyer. Offering multiple price points can allow you to bring in sales from a wider range of art customers.

Next, find an easy way to keep track of your art sales so you always know how much money is coming in and when to expect it. An art inventory management program helps you manage which pieces have been sold and for how much. You can even generate an invoice that figures in sales tax and shipping costs with the click of a button.

Your Net Worth Does Not Equal Your Self-Worth

Above all, remember this: your net worth does not equal your self-worth.

No matter what profession you are in, how much or little money you have, or what your relationship with money is—your net worth does not equal your self-worth.

Because artists have a variable income instead of a monthly paycheck, money issues can weigh heavily on the mind and quietly trickle over into your self-esteem. But, even if you are the wealthiest businesswoman or the highest paid artist in the world, you will not be happy if you are not chasing your passion.

However, you can use your passion to make a living!

Toss the starving artist narrative out the window. Artists can cultivate a healthier relationship with money, and it starts with finding ways to keep your art business organized and profitable. Developing strategies to both save and earn more from your artwork, learning as much as possible, and using expense and inventory tools will start you down the right path.

MAKE A BUDGET WITH THE WORKSHEETS IN THIS GUIDE BY NOTING ALL OF YOUR EXPENSES (ART BUSINESS, HOUSING, UTILITIES, GAS, GROCERIES, LOANS, ENTERTAINMENT, ETC.), PLUS, SET SAVINGS GOALS TO ACHIEVE THE GOALS IN YOUR ART BUSINESS.

MONEY MANTRAS FOR ARTISTS

“MY OWN RELATIONSHIP WITH MONEY WILL NOT CONTROL HOW I PRICE MY WORK.”

You want to make the money you deserve from your art—everyone does. But, there are a lot of fears and mental roadblocks around raising the prices of your artwork.

You might be afraid that no one will buy your work at a higher price point or that since you couldn't afford your work at that price, that you should keep your prices accessible.

Your own relationship with money might be holding you back from making the income you deserve from your artwork.

Use these seven mantras to cultivate a more positive relationship with money and price your work with confidence.

I will value what I do so that others see the value as well.

Say it after me: “My work has value. My skills are valuable. Others value the creativity and talent that I often take for granted.”

As an artist, you have become accustomed to what you bring the world.

Take a second to look at it from a different perspective—from someone who doesn't have the time, training, or motivation to create art objects of their own. These objects bring inspiration, beauty, and life into their home and they are willing and able to trade their resources (money) for these pleasures.

For you, painting an immaculate and detailed landscape seems like second nature. But to someone else, the idea of creating that same work might seem like a far-fetched fantasy.

Without realizing that what you offer, you value what you do less than the potential collector.

Valuing my work means staying strong on my prices.


Increasing your prices can make you feel incredibly insecure and vulnerable. You need to make money from your work, so you need to sell it. A moment of doubt, a hesitant response, an overheard off the cuff comment, these all can have you second-guessing your work and making an impulsive decision to apply a discount to your artwork.

Don't. Do. It.

Each time you hand out discounts and place bargain prices on your artwork you are saying, “my work and my prices aren't worth it.”

Learn to embrace the uncomfortable moment when someone asks for a discount. Come up with ways to show value, instead. Or, remember that someone else will meet you at your price and see your value. You only devalue your work and your ethics by decreasing the price of your work at the drop of a hat.

Everyone has a budget and a price they are willing to pay for artwork. Wait for the ones that prioritize artwork.



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Comparison does not control me or my prices.

Yes, do your research. Yes, know what other artists are charging for similar work. Yes, know what comparable work goes for in your local market.

However, don't let other artist's prices completely control how you price your work. There will always be someone who charges less than you and there will always be someone who charges more.

Understanding your own work, the time that goes into it, the cost of materials and its general place in the market are the only things you should be paying attention to when you price your work.

If you see someone selling an equivalent work of art for less than yours, don't panic. Don't immediately slash all of your prices. Resolve to offer more and to be better rather than lowering your prices.

Offer a superior experience with your art. Justify your prices by offering your top clients a more exclusive experience and cultivate an image of luxury for your work. Give them the first look at your new work. Send updated lists of works they might be interested in with Artwork Archive and make a professional impression. Open your studio for a studio tour so they get an inside look. Offer to transport the artwork and aid in framing or handing advice if it is a larger or more expensive work.

All of these things will be of more value than lowering your price by a few dollars.

Understanding comes through education.

You won't meet one artist who hasn't had someone scoff at their prices.

This goes for the artist selling a painting for \$100 or for \$10,000, or even a print for \$25. There will always be someone who raises an eyebrow at your prices. For the most part, this comes from a lack of understanding about artwork, your process, and the art world in general.

It can be easy to take these side remarks personally or to just brush them off completely and dismiss the offender with a few silent choice words in your head.

But, what if instead you took a deep breath and talked with this person about the value of your artwork.

Talk to this person about what matters to them. What they are getting out of the purchase. The quality, experience and long-lasting artwork that will be in their home for life. Talk about how it is an investment and your work has been increasing in value. Speak to their heart.

You can, of course, let them know what goes into making the work. But, most often, collectors will care most about what matters to them—how the work will improve their own life. Focus on speaking to the quality of your artwork instead of the cost of paint, canvases, studio space, booth fees, clay etc. Tell them about how having the artwork in their home will improve their life and impress their company.

Try to figure out what your collectors care about and speak to that.

FOR YOU, SPENDING \$20 ON SOMETHING MIGHT BE AN EASY DECISION, BUT \$200 MIGHT TAKE MORE THOUGHT. FOR SOMEONE ELSE, \$200 MIGHT BE A SIMPLE DECISION, AND \$2,000 WOULD TAKE MORE THOUGHT..

I will not let my ego dictate my prices.

All this to say, don't ignore the lower-priced artworks.

Your ego is the little part of you that says, "I only make masterworks," "but I'm worth more!" or "I'm above prints." It's the little part of us that makes us believe we are inherently more deserving, more gifted and more talented.

Have your larger works at higher prices, but offer multiple price points to maximize your income.

There are a handful of people the can and are willing to shell out the big bucks for a painting. There are countless others that love your work and are more capable of spending fifty or a hundred dollars on a nice print. Don't count them out. These quickly add up and can make a significant impact on your overall income.

If your end goal is to sustain your art practice and create an income off of your artwork, don't disregard the lower-priced artworks.

My own relationship with money will not control how I price my work.

Before you add a price tag to your next piece, say to yourself, "I will not impose my money mindset on others."

There are many factors that affect how we view and interact with money. From our childhood experiences, our families, our jobs, everyone has a slightly different relationship with how they spend money.

For you, spending \$20 on something might be an easy decision, but \$200 might take a little more thought. For someone else, \$200 might be a simple decision and still for someone else, \$2,000 might be their pocket change for artwork.

Just because a certain number seems above your "comfortable" range, doesn't mean it's above everyone's "comfortable" range.

Which brings us to the next mantra.

Pricing myself out of my own artwork is the goal.

What you can afford shouldn't dictate how you price your artwork. If you always price your work at what you can currently afford, you will never be able to afford more.

This is a hard one for artists to grapple with because they are often empathetic and feel like their work should be egalitarian.

That's where we go back to the multiple price points. But have work that stretches your boundaries and makes you feel uncomfortable. You are not your own collector.

Create professional presentations, price lists, and an online portfolio to demonstrate your value with Artwork Archive—an online inventory tool to organize and grow your art business.

FINANCIAL PRACTICES FOR ARTISTS

SIX PRACTICAL TIPS TO ESTABLISHING SOLID FINANCIAL PRACTICES IN YOUR ART BUSINESS.

When you start an art business, there are few things more thrilling than making those first few sales.

Those few lines of revenue represent the validation that you are on the right track and the excitement of what's to come.

Regardless of if you are looking into making art your full-time gig, are ramping up your side-hustle, or making art just for fun—you are going to be dealing with money at some point. So, it's important to have a solid grasp on where your money is coming from and where it is going.

Establishing clear financial practices in your art business is not as scary as you may think. Here are six practical tips for getting your finances in order so that you have financial security and financial freedom in your art practice.

Ask yourself the important questions and have clear answers

Before you decide to become a self-employed artist, you will have to figure out if you can realistically afford to take the leap. Being a full-time artist is a difficult path and it is only more difficult if you don't have the financial stability.

How can you be sure it is financially responsible to go for your dream of being a full-time artist?

The easiest answer? You won't know until you try, so start selling your work while you still have another income stream. Start now. Don't wait until you have officially started a business.

Gain insights to how to price your work and the demand for your work in different markets before you depend on it for your livelihood. You'll be happy to have this knowledge and business practice when you are earning your entire living from your art.

Here are some other questions to ask yourself before going all in:

What are my own personal financial needs?

What are my business financial needs (materials, space, shows)?

How many ways can I earn money for my art business?

In what ways can I barter/trade my artwork for other services (like photography, marketing, etc)?

Is crowdfunding an option for bigger expenses?

What financial system can I set up to best organize and manage my business?

What grants/ fellowships are a good fit for my work?

What work have I made that has been successful?

Who is my current customer? Who is my ideal customer?

Follow the 50/30/20 budget, but know your income will fluctuate

You don't have to be wealthy to be financially free. Even with a relatively small earning, you can make a budget that allows you to have freedom in your practice, business, and life.

To start, make a list of all your current ongoing expenses using the worksheets in this guide. List out your rent, groceries, phone bill, gym membership ... anything that is a recurring expense. Then, work on making a plan for where you can spend and save. Financial planners recommend a 50/30/20 split for your needs, wants and savings.

This means fifty percent of your income is designated to your needs like housing, food, electricity, your

phone bill, your car, any debts, and health insurance. Thirty percent goes to “wants”—those things that aren’t necessary to your survival and business, but make life more fun and enjoyable like dining out, concerts, entertainment and shopping—and 20% goes to savings or toward debts.

However, things are a little different with artists.

Not having a regular paycheck means that one month you could be making double your budget to cover the 50% of your needs based portion. While the next month, you might not make anything. The tricky part of being an artist is being able to look at the year holistically so that you don’t blow through all your money in a particularly good month.

If you know from your past experiences that the winter holiday months are the best for you and the spring is generally slow, make sure you put a higher percentage toward saving in those months so that you can use those funds for the extras in the off-months.

What if your needs make up more than 50% of your after-tax income right now? That’s ok, that’s the case with a lot of artists when they start out and these numbers can be flexible month-to-month. You might have to adjust your wants for a while and learn different ways to save. It doesn’t have to mean eliminating all of your enjoyable activities, but it might mean dining out less and getting creative around how to cut down.

Things like bartering your services and time are great ways for artists to save in a non-traditional way. Trading weekly childcare services with a neighbor or carpooling is a great way to cut down on childcare and transportation costs. You can also trade your skills as an artist with other artists for professional services like headshots, marketing materials, booth displays etc. As an artist, you have a lot of skills that are useful to many people. Bartering is a valuable form of currency and helps build community around you—trust in the community, ask for help and help others when you can.

RUNNING AN ART BUSINESS IS EASIER AND LESS STRESSFUL IF YOU CAN UNDERSTAND HOW YOUR MONEY IS FLOWING IN AND OUT.

The key to financial freedom is knowing where your money is coming from and going

To begin with, keep your art business and personal finances separate.

Having a separate business account simply makes things easier. It’s easier to see where your money is going and to get an overview of your business right away. Plus, you don’t waste time sifting through line-by-line to extract all your personal line items come tax time or anytime you need to get some insight into your business revenue.

There are a few other tools that can help artists keep track of expenses and revenue. Quickbooks has an option for self-employment that helps artists with small business keep track of profit and loss. Artwork Archive also has an income feature that allows artists to track sales, workshop fees, and any other income and expense for their art business. You can get quick insights into how your art business is performing, generate invoices and stay on top of your budget.

Running an art business is easier and less stressful if you can understand how your money is flowing in and out.

So how do you start keeping track of your sales? The short answer: in your art inventory system. Having an art inventory system that allows you to keep records of your artworks, sales, and finances is the foundation to a healthy art business.

After setting up all your inventory system, you will now be able to clearly see what all your revenue and expenses are over time. With that information, you can then predict your income for the upcoming months, explore what expenses you could cut down on, see what type of work is selling well and make more of that, and brainstorm different ways to add to your income. Having a system in place allows you to lay everything out in front of you to make informed decisions about your art career.

Plan short-term and long-term with savings goals

Saving money with the abstract idea of saving just “because” is not effective.

What is effective is saving money with a specific goal in mind. Goals inspire us to save in new ways, it in effect makes you *want* to put your money away for that goal. You will also think twice before spending it on the frivolous stuff.

At the end of this guide, you will get the chance to fill out your one, five, and ten year savings goals.

Setting these goals will help make savings goals like a new studio, kiln, large equipment, expensive show or even a vacation more likely. Use the worksheets at the end of this guide to write down and remind yourself of your long-term goals.

But what about those long-term savings goals that are out of sight out of mind.

It might be hard to think about setting money aside for saving or for retirement when you feel like you just don’t even enough for today. However, even small amounts of money put away regularly can be very powerful over time. Even amounts as small as ten or twenty dollars will add up and grow over time.

One of the best ways to get there is to first eliminate your debts as part of your savings plan. Since artists have some of the highest student debt in the country, it can feel like an insurmountable amount to chip away at and you might want to ignore it. However, it’s probably not going anywhere soon—so it’s best to pay it off so the interest doesn’t build up.

Act like the boss of your business (because you are)

Starting an art business made you the boss of your own small business. So now you have to start acting like one. This means knowing exactly where your art practice stands financially, making strategic financial goals for your art career, and making decisions for your business based on the numbers.

It also means staying firm on your prices and having a solid pricing strategy.

To examine your pricing strategy, take into account costs like materials, shipping, and especially your time when determining your price so that you stand to make a profit from each art sale.

Again, knowing what goes into your artwork financially will help you to both explain and to stand strong on your prices.

Being the boss, you will need to keep track of your art sales so you always know how much money is coming in and when. A tool like Artwork Archive helps you manage which pieces have been sold and for how much so you have a baseline to measure against.

Remember that your goal is to price yourself out of your own work. Because if you keep making work that you can “afford”, you will never be able to afford more.

Don’t wait to learn about finances until it is an emergency

For a lot of artists, dealing with finances isn’t a priority until it becomes an emergency. It could be a small emergency like your car breaking down, or a bigger emergency like not having enough money for your taxes, medical bills, or retirement.

Either way, ignoring your finances will only create stress.

It’s not glamorous, but keeping track of your receipts, recording your income and expenses and planning for retirement is crucial to your long-term success. As an independent artist with a small business, it’s important for your long-term plan to start your own retirement fund when you are able.

Check in on your finances regularly and don’t wait until April to see where you stand as a business. This will help you make adjustments as needed and prevent emergencies.

TAXES & TAX DEDUCTIONS

WHEN YOU START AN ART BUSINESS, THERE ARE FEW THINGS MORE THRILLING THAN MAKING THOSE FIRST FEW SALES.

Tax season. Queue a collective groan.

There is one thing that makes tax season more painful, and that's being disorganized. Nothing helps more than keeping all of your financial records organized throughout the year. This includes knowing where all of your sources of income are generated and where your money is going—so you can get a better understanding of your net income.

Taxes are complicated and especially complicated for artists. You have a lot of different income sources and a lot of different expenses. You might be wondering what you can write off—what counts and what doesn't?

Whether you are looking to save with common tax deductions for artists, want to know if you qualify for deductions, or simply want financial insights you can use to strategize for success, we outlined the main categories of expenses that you should be tracking for your art business.

Do you qualify as an art business for deductions?

When it comes to deciding if you need to file taxes as an artist, the IRS draws the line between whether you define your practice as a “hobby,” or a “business.”

Quite simply, your art practice is defined as a business if you have the intention to sell your work regularly for profit and a hobby is done without financial incentive. If you run your studio for profit, you can deduct business expenses. However, if your art practice is a hobby, you do not qualify to deduct your art expenses from a different income stream on your taxes. and if your practice is not for profit, you cannot qualify your losses to offset another income.

How else can you determine if you qualify to deduct your expenses?

Ask yourself these questions as posed by the IRS:

Do you put time and effort into your art-making practice with the intention of selling the works?

Do you rely on this income to eat and pay rent?

If you lose money doing this activity, was it within or beyond your control?

Have you made profits in the past?

Have you changed your practice in order to improve profitability?

Do you expect to see profits in the future?

It's ok if you don't make a profit every year, but as a general guideline from the IRS, they want to see a profit three out of five years.

Know your business classification

Do a little research and decide what type of business structure you want to become. Many artists choose to classify their business as a sole proprietorship because it's easy to set up and meets the needs of a basic studio practice.

The process varies from state to state, so head over to your local Clerk of Courts website, your state's Department of Revenue site, and the IRS site to see what steps are required next.

TIP: Start a separate business checking account with your bank. That way, your business and personal expenses aren't all mixed in together when it comes time to do taxes. And, don't forget to save your business receipts!

If you are a sole proprietorship you will record all your sales as general income and you will deduct your expenses.

Take a look at the list of common expenses that you can deduct as an artist.

Advertising

Anything you spend money on promoting your work can be deducted. Advertising expenses include print ads, business cards, fliers, sponsorships, Facebook and digital ads, as well as your website hosting and creation costs.

Business Insurance

Just what it sounds like. If you pay for business insurance, keep track of your payments and write them off come tax time.

Commission & Fees

Paying a gallery to bring in clients and giving them a percentage of sales? Expense that. Also track any fees related to call-for-entry, applications, legal advice, outsourced bookkeeping, business consulting as well as model or contractor fees. What counts as a contractor? Anyone you pay in order to make your work. This includes fabricators, photographers, assistants, etc.

Payment processing fees are also included in this section. If you take payment online through a platform like Paypal, Square, Stripe or Intuit you can expense the processing fees.

Legal & Professional Services

Our recommendation? Get a professional to help you with your tax preparation—you can write off their fee!

Materials & Supplies

Brushes, clay, canvases, easels, glaze, tools... anything you use to make your artwork should be recorded as an expense.

Large Equipment counts as a depreciable asset and is anything that you will use for your art business or studio for more than one year. Think computers, kilns, cameras and any larger expenses that are used over multiple years. You can write this off all in one or over many years.

These are substantial expenses. For these larger items, you can report the asset's depreciation as a deductible expense or you can claim a larger deduction in the first year.

Meals & Entertainment

If you have coffee with a client, take a collaborator out for lunch, or have a dinner with a business partner—these costs can all be deducted at 50% as long as the purpose of the meal or event is to talk business. Keep your receipts, snap a picture, upload them into Artwork Archive, and make note of the purpose of the meal.

Office Supplies

Paper, pens, staplers, paper clips, folders, art for the walls, a mouse for your computer—you get the point. But don't forget online services such as web hosting, software subscriptions like Artwork Archive, an accounting service, or image services, and anything else necessary to keep your online presence and career running.

Cell phone and internet costs can also be recorded. If you use your cell phone and internet for both business and personal use, you can split up the monthly charges based on an estimate of how much you use for your art business.

Professional Development

Professional memberships or any type of dues you pay to an art organization, online courses, conferences, books, workshops, or residency fees—anything that can be used to enhance your career can all be expensed!

Rent & Lease

If you lease office space, studio space or even a storage space outside of your home, that monthly fee can be expensed along with any utilities you have to pay along with it.

For those that have an art studio in your home that is used exclusively for your art business or making art, you can deduct a portion of your monthly overall expenses for that space that will be calculated at the time of filing your taxes.

Repairs & Maintenance

Have an expense related to repairing or maintaining your equipment or office space? Keep track of the repair costs and fees. For example, if you're a photographer and you send your camera to the shop to get calibrated and cleaned, the maintenance cost should be recorded.

Taxes & Licenses

Business licenses are often required by the state. You can expense that!

Travel Costs

Going out of town to install a show? Traveling to a conference? Paying for airfare or hotel costs? Using a ride-sharing app to get to a gallery? Track and expense that.

You can also expense \$0.58 per mile anytime you use your vehicle to drive to a meeting, pick up supplies, go to an art fair, etc.

NOTE: As always, we encourage you to consult with a tax professional for help with your taxes and this should simply act as a guide to get you started tracking the expenses for your art business.

Now that you know what to keep track of, the question is how?

These expenses add up quickly! But with the Expense Tracking feature in an art management tool like Artwork Archive, you can keep track of them with ease. You can try it free with a no-risk, [30 day trial here](#).

Bought new paint or business cards? Enter that as an expense.

Paid an invoice for a portrait model? That expense can be tied directly to a Contact.

Want a quick overview of your production, sales, and expenses over time? Check out the Insights feature.

It's important to know where your art business stands at any point financially, so you are never caught off guard—tax season or not.

Generate sales and expense reports

Easily calculate your expenses and sales income in Artwork Archive to get insights into your financials.

If you waited to the end of the year this time, good luck—we've been there. It's less painful to regularly upload your expenses and record your sales, so you aren't stuck with a week of admin tasks. The best time we find is usually once at the end of the month, but you can find the best time that works for your schedule.

Plan for the future

Ignorance is bliss ... except when it comes to your finances. Make sure you are setting aside a portion of your income to pay for your taxes and to invest in IRA if you have enough left over.

You can only spend so long ignoring the money side of your art career before you find yourself unfulfilled personally, professionally, and financially. The sooner you take the guesswork out of your financial situation, the sooner you can plan ahead for how you are going to sustain your livelihood. Plus, you'll be able to set concrete goals for exactly how much you need to earn and save to cover your expenses.

Tie up the loose ends

If you are like most artists making a living from your artwork, you will probably have a few other income sources from your gallery or a side gig. If this is the case, make sure you get a 1099-MISC from each different income source that you received over \$600 annually and file this as along with your sales income.

Consult a professional for advice

There are many facets of the art world, and each one has an expert. If you have any questions about filing your taxes, always consult a tax expert. It could end up saving you money in the long run.

Before consulting an accountant, make sure to have copies of your receipts, invoices, sales reports and expense reports from your Artwork Archive account. These documents will be your first resource when assessing your tax filing.

EXPENSE TRACKING IN ARTWORK ARCHIVE

EXPENSE TRACKING MAKES BOOKKEEPING & TAX TIME EASY
FOR YOUR ART BUSINESS.

As an artist and small business owner, you have many roles. You not only have to be the sole creator and visionary of your business, a marketing pro, a manager, your own customer service team, but you also have to play the most exciting role of all ... an accountant.

Ok, bookkeeping probably isn't the most exciting part of being a creative entrepreneur, but it is essential to keeping your business afloat. Nothing helps more than keeping all of your financial records organized. Know where all of your sources of income are generated, where your money is going, and what you can write off with Expense Tracking.

Get an accurate picture of your art business by staying on top of your income and expenses with [Artwork Archive](#). Tie your expense records to a client within the database, gain insight into how much you are spending in certain categories, and get one-click expense reports with the expense tracking tool.

As always, we encourage you to consult with a tax professional for help with your taxes and this should simply act as a guide to get you started tracking the expenses for your art business.

Here are the main categories that you can keep track of expenses in Artwork Archive. To get a more detailed description of each category, refer back to page 13.

- Advertising
- Business Insurance
- Commission & Fees
- Office supplies:
- Legal & professional service
- Supplies
- Meals & Entertainment
- Professional Development
- Rent & Lease
- Repairs & Maintenance
- Taxes & Licenses
- Travel Costs

Plus, get an expense report for any category of your business or any time frame. Know where your business stands at any point, so you are never caught off guard. Budget surprises aren't the good kind of surprise.

**THERE IS ONE THING THAT MAKES TAX SEASON MORE PAINFUL, AND THAT'S
BEING DISORGANIZED. NOTHING HELPS MORE THAN KEEPING ALL OF YOUR
FINANCIAL RECORDS ORGANIZED THROUGHOUT THE YEAR.**

DIVERSIFYING YOUR ART BUSINESS INCOME

THE BENEFITS AND DRAWBACKS OF FIVE INCOME SOURCES FOR ARTISTS.

In the following worksheets, you will get the chance to balance your budget with your expenses and income for your art business. But, what if you want to add a few more lines of income?

It's often not enough to rely solely on online sales or gallery representation. If you have been a professional artist for any number of years, you are probably already familiar with the slow seasons, with flopped shows, and rained out art fairs. It can be difficult to count on any single income source.

The good news is that there are so many different ways for artists to make a living today. The better news is that most of these ideas require some work up front, but minimal ongoing labor. The best news is that as an artist, you already have the creativity to think of unique ways to grow your business.

Diversifying your income as an artist allows you to take the pressure off purely production and gives you the time and freedom to pursue new creative projects, while still having a steady income. It also allows for fluctuations in profits from each platform, without stressing out over whether one bad month selling at art fairs is going to leave you unable to pay the bills.

Here are just a few of the ways you can add additional income lines to your budgeting worksheets.

Make Prints of Your Artwork Available

Prints are a great option for customers who love your artwork and imagery, but might not be able to afford it yet.

On the other hand, prints are great for artists because it allows for passive income for your business. This means that you do the majority of the work up front and then continue to get money through print sales. Of course, it will require some occasional ongoing promotion on social media to keep the sales up, but passive income requires considerably less effort and more flexibility than creating a new, original artwork.

You can mark that you have prints available of a piece on your Artwork Archive profile, or use one of the many print-on-demand sites. Print-on-demand sites like Society6, Redbubble, Fine Art America, along with countless others, allow artists to easily print their artwork on phone cases, totes, clothing, linens, wall art and more, for a small commission fee.

The benefits: Prints and print-on-demand objects are easy to create with some work up front. You can find a new audience with prints and focus.

Having your prints listed on your public profile or on a print-on-demand platform increases your exposure and new collectors might notice and reach out about custom or original pieces.

The drawbacks: There is a lot of noise on print-on-demand sites like Society6. It can be difficult to stand out among the thousands of artists and artworks. Successful artists on these sites spend a lot of time up front promoting their profiles, interacting on social media and creating unique sales opportunities. The profit margin can also be low on prints or print-on-demand objects like cards. You may have to spend money up front for the products that may only return a few dollars on each purchase.

Tip: Be active! Let your fans know what you just posted on your Artwork Archive portfolio by sharing it on your Facebook page or Instagram profile. You can even create some urgency around your prints by doing 24-hour limited edition sales. Give your followers a heads up about when your prints will be on sale and generate a buzz around the sale for a week or so beforehand. Then, put your limited edition print (ex: 100-200 prints) up for sale.

Lead a workshop in your studio (or someone else's studio)

Do you have a passion for teaching others the skills you have learned? Workshops are not only a great way to diversify your income, it's an opportunity to educate others about the skills it takes to create your work.

It's also an opportunity to engage with the community and have a social aspect to your otherwise solitary art practice. Workshops can be revitalizing and give new energy and purpose to your own work when you see the passion sparked in new students.

For artists who still want to maintain a full-time studio path instead of a classroom route, but still enjoy art education, workshops are the perfect solution.

If you have your own studio and enough space and materials to host a small workshop, the overhead is generally low. Alternatively, you can seek out studios to partner with and split the enrollment fees. This generally happens if you require a lot of equipment—say you are a potter and need 12 wheels—you would partner with usually an arts center and travel to teach a workshop.

You can even build your schedule around travel opportunities. Seek out studios and opportunities across the globe, do some outreach and fund your next international vacation by teaching a workshop.

The benefits: Establish your name among potential new collectors and your peers. Potential to travel, learn and share your craft with others. Create a significant amount of income in a few days without material fees. If you host the workshop in your own studio, you will often see a boost in your sales as well as participants. There isn't a large time commitment. Gain teaching experience that leads to more opportunities.

The drawbacks: Advance planning and physical space needed. Most beneficial for mid-late career artists who demand a higher tuition rate.

Tip: Make sure you have a clearly defined focus for your workshop, are teaching at your level within your skill level and specialty. Maybe even give it a practice run with a few friends for feedback.

Decide which category your workshop will fall into and don't forget to list your workshop on call-for-entry sites like Artwork Archive's calls page. Calls pages like this help get your workshop in front of thousands of artists and they often market opportunities, so you benefit from cross-promotion and campaigns.

Teach online courses or sell instructional e-books

If you like the idea of teaching, but don't have the physical space to host events or don't like the idea of traveling, you may want to consider taking that curriculum online.

There are lots of sites online where new artists are looking to expand their knowledge by either watching video tutorials or downloading instructional books from professional artists. Just about anyone with an artform can benefit from teaching classes online. Or, if you don't want to be an on-screen personality, an instructional ebook is another way to create an educational resource to add to your passive income as an artist.

Don't know where to get started? Consider if you want to self-host your content or upload it to an established site like Skillshare.

There is some cost/benefit analysis to be made: self-hosting may be a greater investment up front, but you don't have to pay commission on every enrollment. However, brands like Skillshare bring in large audiences and have the time and resources to market their courses. Marketplace options like Skillshare won't charge you up front but will pay a royalty on your courses.

And, don't forget that with tools like Instagram and Facebook Live you can start building a following for your courses and test-drive ideas for classes or tutorials.

For artists that prefer writing, there are an endless amount of guides you can create for download. Check out these 32 places to upload your ebook and get started. If you are computer challenged or not design-inclined, you can always download an ebook template!

The benefits: Passive income as downloads for e-books or enrollment in an e-learning course. A chance to build your brand and grow your name. Opportunities for cross-promotion with your other income sources: prints, artwork, workshops etc.

The drawbacks: No face-to-face time with your students. No real control over the skill level/experience of your class. Better for the tech-savvy crowd.

License & Merchandise Your Artwork

You can earn royalties from your work by licensing it to retailers or brands. Imagine the aisles of your favorite store lined with images of your artwork on their products. Sound exciting? Not only does it get your art business some pretty big publicity, but it's a fun way to make money from your original artwork.

You could also go the route of selling your images and designs straight to a stock agency. If you can build a strong portfolio of commercial work, the royalties quickly add up in monthly revenue on top sites like Getty Images, AdobeStock and Shutterstock—with little ongoing effort on your part.

The benefits: Passive income in the form of royalties. Associate your name with top brands.

The drawbacks: Commercial and on-trend work tends to perform better. You will need to file copyrights for those images, which can be expensive. Royalty rates can vary.

Tips: Read your contracts thoroughly. Look out for any wording that includes non-exclusive or exclusive rights. Unless it is the opportunity of a lifetime, you will want non-exclusive rights so that you can sell your images elsewhere and on multiple platforms.

Keep in mind, it can be more cost effective to copyright your images in collections of images.

Make sure that you retain all copyrights to your artwork and look for a fair royalty rate. There are a number of factors that go into determining a fair royalty rate such as volume, popularity and the type of product being sold. Maria Brophy has a great guide on how to calculate a fair price and make sure you are getting what you deserve in a licensing deal.

Become an art influencer through social media, YouTube, and blogging

Have you already built up a large following on your social media accounts? Do you spend all your extra time posting, liking, scrolling, and connecting with other artists on Instagram?

You could be making extra money or getting art supplies by collaborating with companies to post sponsored content.

You can also use your account to advertise your own ebooks, courses, artwork, and prints. Artists who build a loyal following through genuine content on their social feeds often sell work as soon as they post it on Instagram.

Beyond advertising, having a strong presence on social media or through blogging or youtube helps buyers find your artwork through building your SEO and ranking your work higher in the search results.

The benefits: Can lead to significant income. Working with art suppliers and brands that you support.

The drawbacks: Make sure you believe in the brands that you partner with as they will reflect on your own brand. Try not to use ads in your feed sparingly. Stick to about 80% original content and 20% max sponsored content.

Don't expect overnight success. Many successful accounts that you see took years to grow before making a significant income from advertisements.

Tip: You don't need millions of followers before you start earning from your accounts. However, some ways to grow your account include doing a giveaway where fans have to follow your account to be in the raffle, posting works in progress and engaging with other artists. You can also get matched up with a brand that fits your account on platforms such as Influence.co.

FINANCIAL GOALS *for my art career*

NOTES:

GOALS FOR ART BUSINESS:

AMOUNT NEEDED:

TARGET SAVING FOR 2020

<i>This year</i>		
<i>Two years</i>		
<i>Five years</i>		
<i>Ten years</i>		
<i>Beyond</i>		

FINANCIAL GOAL BREAKDOWN

GOAL:

NEXT STEPS:

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TARGET DATE:

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GOAL:

NEXT STEPS:

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QUARTERLY *Financial Planning*

	JAN	FEB	MAR
Q1			
	APR	MAY	JUN
Q2			
	JUL	AUG	SEP
Q3			
	OCT	NOV	DEC
Q4			

EXPENSES *Exploratory Worksheet*

Once you have funded your retirement accounts, paid debts, and set up six months of an emergency fund, Use this sheet to determine what is a comfortable amount to budget on each of these categories keeping in mind the 50/20/30 financial planning rule. Then, use them in the following worksheets to balance your budget.

VACATIONS:

CAREER DEVELOPMENT:

STUDIO:

HEALTH / WELLBEING:

ENTERTAINMENT:

CLOTHING:

OTHER HOBBIES:

ADDITIONAL SAVINGS:

BUDGET *Expenses worksheet*

CURRENT MONTHLY EXPENSES

AMOUNT

BASIC NEEDS/ HOUSING

- Mortgage/rent
- Electric
- Water
- Internet
- Phone
- Groceries
- Other
- Other
- Other
- Other
- Other

TOTAL HOUSING

TRANSPORTATION

- Car Payment
- Public Transportation Pass
- Average Rideshare Budget
- Repairs
- Gas
- Parking
- Other
- Other

TOTAL TRANSPORTATION

ENTERTAINMENT

- Cable
- Subscription services (Amazon, Netflix, Hulu, etc.)
- Dining Out/ take out
- Concerts & Music
- Bars & alcohol
- Other
- Other
- Other
- Other
- Other
- Other

TOTAL ENTERTAINMENT

BUDGET *Expenses worksheet*

	AMOUNT
LOANS	
<input type="checkbox"/> Student loans	
<input type="checkbox"/> Medical	
<input type="checkbox"/> Credit card	
<input type="checkbox"/>	
<input type="checkbox"/>	
TOTAL LOANS	
INSURANCE	
<input type="checkbox"/> Rental insurance	
<input type="checkbox"/> Health insurance	
<input type="checkbox"/> Car insurance	
<input type="checkbox"/> Life insurance	
<input type="checkbox"/> Other	
<input type="checkbox"/> Other	
<input type="checkbox"/> Other	
<input type="checkbox"/> Other	
TOTAL INSURANCE	
SAVINGS	
<input type="checkbox"/> IRA/Retirement Fund	
<input type="checkbox"/> Emergency Fund	
<input type="checkbox"/> Vacation Fund	
<input type="checkbox"/> Savings goal 1	
<input type="checkbox"/> Savings goal 2	
<input type="checkbox"/> Savings goal 3	
<input type="checkbox"/> Savings goal 4	
<input type="checkbox"/> Savings goal 5	
<input type="checkbox"/> Other	
TOTAL SAVINGS	

BUDGET Expenses worksheet

PERSONAL	AMOUNT
<input type="radio"/> Gym	
<input type="radio"/> Medical	
<input type="radio"/> Grooming (shampoo, haircuts, face products)	
<input type="radio"/> Clothing	
<input type="radio"/> Other	
<input type="radio"/> Other	
<input type="radio"/> Other	
TOTAL PERSONAL	

OTHER	
<input type="radio"/> Pets	
<input type="radio"/> Other	
<input type="radio"/> Other	
<input type="radio"/> Other	
TOTAL OTHER	
TOTAL EXPENSES	

BALANCING YOUR BUDGET

TOTAL INCOME

TOTAL EXPENSE

DIFFERENCE

TOTAL DIFFERENCE (INCOME - EXPENSES)

AM I FOLLOWING THE 50/30/20 RULE? (50% of expenses to necessities (bills/living), 30% to saving, 20% to wants)

Current % toward necessities:

Current % toward savings:

Current % toward "wants":

WHAT ITEMS CAN I CUT OUT OR CUT BACK ON?

IN WHAT OTHER WAYS CAN I SAVE?

Weekly Savings Goals

HABIT TRACKER

ANNUAL SAVING GOAL =

WEEKLY SAVING GOAL =

HOW IT WORKS:

Use this habit tracker to stick to your savings goals. Determine how much you want to save by the end of the year and what you would need to contribute weekly to get there. For example, to save \$5,000 in a year, you will need to contribute \$100 a week.

Stay accountable by checking off each week that you contribute.

WEEK	YES!	WEEK	YES!
01	<input type="checkbox"/>	27	<input type="checkbox"/>
02	<input type="checkbox"/>	28	<input type="checkbox"/>
03	<input type="checkbox"/>	29	<input type="checkbox"/>
04	<input type="checkbox"/>	30	<input type="checkbox"/>
05	<input type="checkbox"/>	31	<input type="checkbox"/>
06	<input type="checkbox"/>	32	<input type="checkbox"/>
07	<input type="checkbox"/>	33	<input type="checkbox"/>
08	<input type="checkbox"/>	34	<input type="checkbox"/>
09	<input type="checkbox"/>	35	<input type="checkbox"/>
10	<input type="checkbox"/>	36	<input type="checkbox"/>
11	<input type="checkbox"/>	37	<input type="checkbox"/>
12	<input type="checkbox"/>	38	<input type="checkbox"/>
13	<input type="checkbox"/>	39	<input type="checkbox"/>
14	<input type="checkbox"/>	40	<input type="checkbox"/>
15	<input type="checkbox"/>	41	<input type="checkbox"/>
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18	<input type="checkbox"/>	44	<input type="checkbox"/>
19	<input type="checkbox"/>	45	<input type="checkbox"/>
20	<input type="checkbox"/>	46	<input type="checkbox"/>
21	<input type="checkbox"/>	47	<input type="checkbox"/>
22	<input type="checkbox"/>	48	<input type="checkbox"/>
23	<input type="checkbox"/>	49	<input type="checkbox"/>
24	<input type="checkbox"/>	50	<input type="checkbox"/>
25	<input type="checkbox"/>	51	<input type="checkbox"/>
26	<input type="checkbox"/>	52	<input type="checkbox"/>

TOTAL SAVED AT END OF YEAR:

NOTES:

REVENUE & EXPENSE TRACKING WITH ARTWORK ARCHIVE

GET AN ACCURATE PICTURE OF YOUR ART BUSINESS BY
STAYING ON TOP OF YOUR FINANCES.

With Income tracking on Artwork Archive, you can accurately track where the money for your art business is coming from and where it is going. Get an overview of how much you are spending in certain categories, where your income is being generated and start to make a strategic plan for your career.

It's crucial to have a strong understanding of your finances in your art business in order to make decisions that will best benefit the longevity of your art career.

Nothing helps an art career more than keeping all of your financial records organized. Know where all of your sources of income are generated, where your money is going, and what you can write off with Artwork Archive.

You can also get insights into what artwork series and galleries are performing best, track sales and stay on top of your business.

What else will you get when you start a free trial? Artwork archive provides the tools for artists to organize, manage, share and showcase their artwork. From inventory and consignment reports to sales and invoices, contacts management, and location tracking, we aim to be everything you need to get organized and manage your career. Get started with a free trial to see how the platform can help you better manage your finances and grow your art business.

MANAGE YOUR ART BUSINESS, FINANCES AND ART
INVENTORY WITH ARTWORK ARCHIVE.

GET STARTED WITH A FREE, NO-RISK 14-DAY TRIAL.
NO CREDIT CARD REQUIRED.

GET STARTED