Part 3
The Nuts & Bolts of the Gallery/Artist Relationship

by Andy Cooperman

This is Part 3 in a four part series written by Andy Cooperman, Don Friedlich, Harriete Estel Berman, about submitting work to galleries and retail establishments.

Part 1 - Galleries: Are They Right for You?
Part 2 - Introducing Your Work to a Gallery
Part 3 - The Nuts & Bolts of the Gallery/Artist Relationship
Part 4 - Galleries: Issues to Consider After Your Work Has Been Accepted

This essay explains how the artist/gallery relationship most often works along with some questions to ask before you sign on.

Consignment
The vast majority of galleries work on a consignment basis with their artists. What this means is that the artist sets a wholesale price on each piece, which is the amount of money the artist must make. This includes cost of material, labor, overhead, etc. The gallery then takes this wholesale price and adds their commission. This is the retail price, which is what the gallery will sell the item to the public for. Gallery commissions vary but the most commonly encountered percentage is 50% or one half of the retail price. In other words, the gallery will double the wholesale price. Some galleries have a different percentage split, often 60% to the artist and 40% to the gallery. Consigning of artwork is, in essence, a loan by the artist to the gallery. The artist still owns the work until it is sold or returned to the artist. A knowledge of the commission percentage expected by each gallery could actually play a role in deciding which galleries to approach in the first place.

When you, the artist, are establishing a price for each piece it is important to remember that the price a retail customer pays at the gallery will be more—perhaps double—than that which the artist receives from the gallery. It is a delicate act balancing what the artist needs to make with what a gallery retail customer can reasonably expect to pay. This is very different than selling on Etsy.

There are some galleries who will purchase artwork outright from the artist. Some will even agree to purchase a certain amount of work, say 10 pairs of earrings or 5 teacups, if the artist will agree to consign some larger pieces—4 neckpieces or 3 large teapots, for instance. But selling outright to a gallery is not bulletproof: There are many galleries who expect to have a grace period, a year for instance—during which they can trade work already purchased from an artist for new or different work of that artist. This arrangement usually involves a percentage trade back: two old pieces for one new piece, for example.

Discounting:
Many galleries are now offering discounts to “collectors”. This term used to apply only to a client or customer who had made a commitment to collecting the work of a particular artist or work in a specific media: people who spent a lot of money with the gallery. This
was a consideration made by the gallery to honor the relationship with the client and to foster future sales. Collector discounting has now become more of a standard practice and a discount is given to basically anyone who asks. Some galleries even raise the wholesale price of an artist’s work, anticipating a collector discount and so raising the price of the piece to cover it. If a gallery does not work this way but still offers discounts it is important to be sure of just where the discount is coming from. If an artist charges $50 wholesale for a piece (which the gallery normally sells for $100), the artist will only receive $45 if the gallery offers a 10% retail discount and agrees to split it evenly with the artist. With our uncertain economy we can expect to see more widespread and deeper discounting.

Some Questions to Ask:

• Will the gallery be taking artists to other venues such as SOFA?

• Will they be using your work in advertisements?

• Does the gallery sponsor exhibitions?

• Do they require an \textit{exclusive relationship}? And if so, what are the parameters?

• How do they feel about sales made on your website or other websites such as Etsy?

• How often are artists paid?

• What is their policy for work that is returned to the gallery by customers? What happens if you have already been paid for the work sold and then it is returned?

• Who is responsible for damages to consigned work?

• If they’ve purchased work from you do they expect to be able to trade it back for other work (usually at a discount: two piece for one for example)?

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This is \textit{Part Three} in a \textit{four part series of articles originally published on Etsy to promote the SNAG Professional Development Seminar 2009}. You can find the other articles in this series on this web site.

The \textit{Professional Development Seminar} organized by Andy Cooperman, Harriet Estel Berman and Don Friedlich presents lectures and discussion designed to offer students, emerging artists and established professionals information vital to establishing and maintaining a career in the arts.