



# PRICING WORKSHEET

This pricing worksheet goes into the math of how to find the MINIMUM price you'll need to set for your product, the price that covers your costs and still makes you a profit. If you find you can charge more (because you sell a high-margin item!) or less (maybe later once you've honed your supply chain and process), that's awesome! This worksheet aims to give you a place to start.

## Material Costs for ONE Item

For each material, you'll want to figure out how much of that material you use and how much *that amount* costs. For example, if you buy a package of 40 beads for \$6 but only use 10 beads to make your item, the material cost for the beads will be \$1.50. This applies also to packaging costs.

Cost of Material A = 

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Cost of Material B = 

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Cost of Material C = 

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Cost of Material D = 

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Cost of Packaging = 

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Cost of Shipping (if you offer "free" shipping) = 

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## Determine Your Yearly Fixed Costs

(Equipment + yearly subscriptions + insurance costs + other YEARLY expenses).  
Divide your total yearly costs by 12 to turn your yearly costs into montly costs.



## **Determine Your Monthly Fixed Costs**

(Workspace Rent + Workspace Utilities + A month of your yearly fixed costs + Other Monthly Expenses)

## **Determine Your Per-Item Fixed Costs**

Now determine the number of items you sell each month (or hope to sell each month) and divide that number by your monthly fixed costs.

## **Determine Your Labor Costs**

$\$12 \times \text{Number of Hours (or Fraction of one Hour) it takes you to make ONE item} = \text{Labor Costs}$

## **Calculate Your Retail Price**

$(\text{Material Cost for 1 item} + \text{Fixed Cost for 1 item} + \text{Labor Costs for 1 item}) \times 1.30 = \text{Retail Price (RP)}$

## **Calculate Etsy Fees**

$\text{Retail Price (RP)} + \$0.20 + (0.065 \times \text{RP}) + (0.03 \times \text{RP}) + \$0.25$

## **Set the Minimum Price for Your Etsy Listings**

$\text{Retail Price (RP)} + \text{Etsy fees}$

**Next: Etsy 106 - learn how to navigate Customer Service**