AN EDITORIAL WORKBOOK FOR MAKERS

Handmade Product Pricing Workbook

Know what it costs.

Price with intention.

ONE CONSIDERED SYSTEM FOR MAKERS

A practical way to record materials, labor and overhead, account for selling costs, and choose prices that make sense for each channel.



01 **COST**
Time, materials & overhead

02 **PRICE**
Wholesale, retail & fees

03 **TEST**
Review, measure & adjust

BUSINESS / STUDIO

START HERE

A clear way to price your work.



Start with what one finished item costs. Then compare channel fees, real customer prices and the money that remains.

YOUR 18-SECTION GUIDE

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USE THE WORKBOOK IN THREE PASSES

01 **COST**

Record your actual material, labor and overhead amounts.

02 **PRICE**

Check wholesale, retail and selling costs by channel.

03 **TEST**

Compare results, make one change and review it.

START WITH REAL RECORDS

Use one currency and check costs and fee statements for the selling channel you actually use.

01 / PRICING FUNDAMENTALS

Know the numbers behind a price.



A profitable decision starts with consistent definitions, not with a universal markup rule.

FIVE WORDS TO KEEP STRAIGHT

01 **BASE COST**
Materials + valued labor + allocated overhead + packaging; add postage if absorbed.

02 **WHOLESALE**
The price a retail shop pays; it must cover the real costs of that channel.

03 **RETAIL**
The price the end buyer pays before any channel charges are deducted.

04 **MARKUP**
The remainder over your chosen cost basis, divided by that cost basis.

05 **MARGIN**
The remainder over your chosen cost basis, divided by selling price.

MARKUP AND MARGIN ARE NOT INTERCHANGEABLE

If cost is $4 and price is $8, the markup is 100% of cost while the production-cost margin is 50% of the price.

ONE PRODUCT I WANT TO PRICE WITH MORE CONFIDENCE

02 / PRICING METHODS

Use the chain as a test, not a rule.

The familiar cost × 2 × 2 example is a starting comparison. It cannot guarantee a viable price.

ILLUSTRATIVE SOAP BAR / COST TO CUSTOMER

PRODUCTION COST

$4.30

Before channel fees

WHOLESALE CANDIDATE

$8.60

2× production cost

RETAIL CANDIDATE

$17.20

2× wholesale

CANDIDATE PRICES ARE NOT SAFETY FLOORS

Test whether each price covers your actual labor, fees, absorbed shipping, wholesale terms and required remainder.

THREE WAYS TO EVALUATE YOUR PRICE

Cost-informed

Use actual cost plus channel charges to identify what must be recovered.

Market-aware

Compare similar products and test what your buyers value.

Value-led

Consider quality, custom work, presentation and measured demand.

YOUR FIRST PRICE SCENARIO

BASE COST

CHOSEN SELLING PRICE

EXTRA CHANNEL COSTS

WHAT WOULD MAKE THIS PRICE WORTH TESTING?

03 / MATERIAL COSTS

Price the details, not just the obvious.



Use quantities actually consumed per finished item. Batch purchases must be divided across usable finished units.

MATERIALS / ONE FINISHED ITEM

MATERIAL	AMOUNT USED	UNIT COST $	LINE COST $

TOTAL MATERIAL COST / ONE ITEM $ _____

SOAP BAR / MATERIALS EXAMPLE

Oils and butters $0.70 + lye/water $0.15 + fragrance/color $0.40 + mold/label $0.15 = $1.40.

04 / LABOR COSTS

Value the work behind the product.



Include time spent preparing, making, finishing and fulfilling one item. Do not charge the same time twice.

YOUR HOURLY LABOR RATE ($)	FINISHED ITEMS / SESSION

WORKFLOW / MINUTES FOR EACH FINISHED ITEM

TASK / ACTIVITY	MINUTES PER ITEM
Preparation / setup	
Making / assembly	
Finishing / curing	
Photographing / listings	
Customer service / messages	
Packing / fulfillment	
Other tasks you perform	

LABOR PER ITEM = (TOTAL MINUTES / 60) × YOUR HOURLY RATE

LABOR COST / FINISHED ITEM $

SOAP BAR / ILLUSTRATIVE LABOR

6 minutes × $20 per hour / 60 = $2.00 per bar.

05 / OVERHEAD COSTS

Give shared costs a fair place.

List recurring business expenses and choose an allocation basis you can explain and repeat.

MONTHLY COST RECORD

EXPENSE	COST PER MONTH $
Workspace / rent	
Business utilities	
Tools / equipment share	
Software & subscriptions	
Marketing / fixed plans	
Licenses / insurance	
Fixed marketplace plans	
Other recurring expense	

TOTAL MONTHLY OVERHEAD $ _____

UNITS IN ALLOCATION _____

OVERHEAD PER UNIT = MONTHLY OVERHEAD / REALISTIC UNIT COUNT

SOAP BAR / ALLOCATION EXAMPLE

At $400 monthly overhead allocated across 1,000 bars, the assigned amount is $0.40 per bar. Adjust when your output or allocation basis changes.

06 / PACKAGING COSTS

Account for what leaves the studio.



Add the packaging that accompanies a finished sale, then allocate shared order packaging across the items it protects.

YOUR PACKAGING LIST / PER ORDER

PACKAGING ITEM	COST PER ORDER $
Box or mailer	
Wrap, tissue or filler	
Product label / tag	
Thank-you card	
Seal, ribbon or sticker	
Other packing materials	

TOTAL PACKAGING PER ORDER $	ITEMS SHARING THESE COSTS

SOAP BAR / PACKAGING EXAMPLE

Kraft box $0.30 + wrap and label $0.10 + thank-you card $0.10 = $0.50 per bar when sold alone. A multi-item order needs a consistent allocation of shared materials.

07 / SHIPPING COSTS

See the cost behind delivery.

Compare postage and fulfillment charged to you with what the buyer actually pays toward it.

TYPICAL PACKAGE WEIGHT	BOX / MAILER SIZE	MAIN CARRIER

SHIPPING SCENARIOS

ZONE	YOUR COST $	BUYER PAYS $	ABSORBED $
Local / nearby			
National / standard			
Heavy / distant			

ABSORBED POSTAGE = ACTUAL SHIPPING COST - SHIPPING COLLECTED

If a customer pays more than shipping costs, review how you treat the difference in revenue. Count all seller-paid shipping exactly once.

SEPARATE SHIPPING EXAMPLE

A $5.40 label with $0 shipping collected leaves $5.40 to cover; the $4.30 soap example elsewhere assumes $0 absorbed shipping.

08 / PER-ITEM COST SUMMARY

Build your cost *from real numbers.*



Record what one finished item costs. Include shipping the item price must cover; if shipping is charged separately, evaluate the entire order. Count each cost once.

PRODUCT / SKU _____

PRICING PERIOD _____

YOUR COST RECORD

Materials and ingredients	$ _____
Labor time value	$ _____
Allocated overhead	$ _____
Packaging per item	$ _____
Absorbed shipping	$ _____

PRODUCTION COST / ITEM

$ _____

SOAP BAR / EXAMPLE

Materials	$1.40
Labor time value	$2.00
Allocated overhead	$0.40
Packaging per item	$0.50
Absorbed shipping	$0.00

BASE $4.30

FEES AND POSTAGE

The $4.30 soap example assumes no shipping in the item price and excludes selling fees. Add your actual extra charges once when assessing a sale.

09 / WHOLESALE PRICING

Price a wholesale order realistically.

A shop may resell your work, but a multiplier alone does not tell you whether its order is worth fulfilling.

YOUR WHOLESALE CANDIDATES

PRODUCT	BASE COST $	PROPOSED $	OTHER COSTS $	REMAINDER $

SOAP BAR / BEFORE OTHER COSTS

A $4.30 item at a candidate $8.60 wholesale price has $4.30 remaining before additional wholesale fees, shipping, discounts, returns or other unallocated costs. This is not a guaranteed margin.

BEFORE YOU ACCEPT A WHOLESALE ORDER

- ☐ Check actual order quantity and production capacity.
- ☐ Confirm timing, payment terms and returns.
- ☐ Include seller-paid delivery and payment charges.
- ☐ Compare the remaining profit with your time.

10 / SELLING CHANNEL FEES

Let each channel reveal its costs.

Track real fees by channel or event. A sale on Etsy, a direct order and a craft fair have different economics.

COSTS TO CHECK

MARKETPLACE

Listing, transaction, processing, promotions, currency and other charged fees.

DIRECT SHOP

Payment processor, subscriptions allocated consistently, app or platform costs.

CRAFT FAIR

Booth, travel and event expenses allocated over realistic sales; card processing.

YOUR CHANNEL FEE LOG

CHANNEL	PER-ORDER $	PER-ITEM $	TOTAL $
Etsy / marketplace			
Direct shop / site			
Craft fair / event			
Other channel			

TWO SOURCE EXAMPLES - ILLUSTRATIVE, NOT LIVE FEE RATES

A fictional $17.20 Etsy order carries $2.10 in fees. At a fair, a $90 booth divided by 30 sales is $3 per sale, plus illustrative processing of $0.45. Verify your actual statements and do not count costs twice.

11 / RETAIL PRICING

See what a sale really leaves.

Start with the customer price, then distinguish the payout after fees from the remainder after the product itself is paid for.

FROM LISTED PRICE TO REMAINDER

YOUR RETAIL SCENARIO	AMOUNT $
Customer price	
Less: channel and payment fees	
Less: shipping you absorb (if not in base cost)	
Amount after these charges	
Less: production cost (not counted above)	
Remainder after listed costs	

SOAP BAR / FICTIONAL MARKETPLACE SCENARIO

$17.20 customer price - $2.10 selling fees = $15.10 after fees. Less $4.30 production cost = $10.80 remaining before any further unallocated costs.

COMPARE A SECOND SELLING CHANNEL

CHANNEL	EXPECTED REMAINDER / SALE $

12 / PREMIUM & THIN MARGINS

Give pricing decisions a reason.



A product may support a higher price, need lower costs, or deserve less production time. Test each idea.

WHAT MAY SUPPORT A HIGHER PRICE?

- [ ] Distinctive design, personalization or scarce craft skill
- [ ] Material quality, finish and presentation
- [ ] Repeat demand, evidence and customer feedback

WAYS TO IMPROVE A THIN REMAINDER

- [ ] Test a revised price and monitor conversion.
- [ ] Change suppliers or batch production without sacrificing quality.
- [ ] Spread legitimately shared costs across items and orders.
- [ ] Test a bundle, then verify its total contribution.

KEYRING / ILLUSTRATIVE CURRENT CASE

At a $6 selling price and $4.60 of included production and selling costs, the $1.40 remainder is 23.3% of price before any other omitted costs. A different bundle or supplier must be recalculated rather than assumed profitable.

ONE CHANGE I WILL EVALUATE

13 / MARGIN & MARKUP

Two percentages. Different questions.

Choose and state the same cost basis in both calculations. A production-only margin is not the same as whole-business net margin.

MARGIN

(Selling price - included costs) / selling price × 100

MARKUP

(Selling price - included costs) / included costs × 100

Calculate margin only when price is positive; calculate markup only when included cost is positive.

SOAP BAR / PRODUCTION-COST-ONLY EXAMPLE

At $17.20 price and $4.30 production cost, remainder = $12.90. Production-only margin = 75%; production-only markup = 300%.

A DIFFERENT BASIS CHANGES THE RESULT

If another $2.10 of selling fees is deducted, the remainder falls to $10.80 (62.8% of price). That is not a verified net margin unless all remaining costs are included.

YOUR OWN PRODUCT / RECORD THE BASIS

PRICE $	COST $	REMAINDER $
Selling price	Costs included	Price - costs

14 / PRODUCT COMPARISON

Compare the products on one basis.

Record channel costs consistently and check market prices as context, not as a requirement to match.

FOUR PRODUCTS TO REVIEW

PRODUCT	BASE $	PRICE $	FEES $	REMAIN $	MARGIN

MARKET CONTEXT & NEXT DECISION

COMPARABLE SELLING PRICE / SOURCE

KEEP / ADJUST / RETIRE - WHY?

COMPARISON RULE

Use the same channel-cost definition for each row. If shared overhead is excluded, label the result contribution rather than full business net profit.

15 / KEEP / FIX / RETIRE

Decide which work deserves your time.



Use both the remainder per sale and the effort required. A product is not automatically viable because its price clears material cost.

PRODUCT REALITY CHECK

- [ ] Cost-plus-fees exceed a price customers accept.
- [ ] Returns or damage erase the planned remainder.
- [ ] Time required makes effective hourly pay too low.
- [ ] Inventory stays unsold and ties up cash.
- [ ] The product demands capacity better used elsewhere.

EFFECTIVE HOURLY RETURN / DO NOT DEDUCT LABOR TWICE

(Selling price - nonlabor costs - all channel fees - seller-paid delivery) / actual hours worked. Compare this with the wage value already used in production costing.

ONE PRODUCT / ONE EVIDENCE-BASED DECISION

DECISION FIELD	WRITE YOUR FINDING
PRODUCT / SKU	
WHAT THE NUMBERS SAY	
KEEP, FIX OR RETIRE	

16 / PRICING TEST & NEXT STEP

Choose a price.
Then test it.

A price change is a decision to measure, not a promise of higher profit. Check the impact on demand, selling costs and what remains per order.

PRODUCT / SKU	CHANNEL	REVIEW DATE

ONE PRICE TO EVALUATE

LINE ITEM	CURRENT	PROPOSED
Selling price	$	$
Production cost / item Includes labor and overhead	$	$
Other channel fees and costs Exclude fees and shipping already counted	$	$
Remainder after these costs Price minus all amounts above	$	$

MEASURE THE CHANGE

Remainder = selling price minus production cost minus other fees. Compare per-sale remainder and sales volume before and after testing.

WHAT I WILL CHANGE

WHAT SUCCESS WILL LOOK LIKE

17 / PRICING VALIDATION

Check the price before you publish.



Use your own data rather than fixed industry percentages. A checkbox means reviewed, not automatically passed.

COST COVERAGE

- [ ] Materials, labor, packaging and overhead are included once.
- [ ] Channel fees and absorbed shipping are checked.
- [ ] Any discounts are tested against the remainder.

MARKET & WORKFLOW REALITY

- [ ] Price is evaluated against comparable products.
- [ ] Wholesale terms have been costed if relevant.
- [ ] Production time and capacity are realistic.
- [ ] Customer response will be measured after launch.

A REASONABLE CONFIDENCE CHECK

- [ ] I can explain what goes into the price.
- [ ] I know which assumptions might change.
- [ ] I have a date for reviewing actual results.

MY DECISION **READY TO TEST / REVISE & CHECK AGAIN / PAUSE**

18 / YOUR PRICING DECISIONS

Make the next price intentional.



Carry the final candidate prices into one repeatable record. Date changes and revisit them whenever your actual costs move.

YOUR PRICING RECORD / PRODUCTS READY TO TEST

PRODUCT	BASE $	WHOLESALE $	RETAIL $	FEES / COSTS $	MARGIN %

PRICES EFFECTIVE ON

REVIEW AGAIN ON

MY PRICING RULES GOING FORWARD

When I will recheck fees, materials, labor, discounts and channel terms:

THE ROUTINE / NEXT REVIEW

Keep pricing as a working practice.

Real costs, an honest channel comparison and a measured test give you better decisions over time.

A SIMPLE ROUTINE TO REPEAT

- [ ] Update material and labor records when they change.
- [ ] Recalculate selling and payment fees for each channel.
- [ ] Compare price, remainder and real order results.
- [ ] Record one change and set your next check-in.

USE THE RELATED SIMPLELIFECALC CALCULATORS

Handmade Pricing Calculator
Test materials, labor, fees and a candidate selling price.

Craft Fair Profit Calculator
Evaluate booth, travel, sales and event-level expenses.

Seller Tools Directory
Find current Etsy fee tools and other seller calculators.

YOUR NEXT PRICING REVIEW DATE

DATE

FIRST PRODUCT TO RECHECK