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1 A Cold, Grey Day, 2011, by Deborah DeWit. Oil on wood panel, 24" x 26".
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BY GIGI ROSENBERG

CONVERSATIONS WITH MONEY: HOW TO BECOME FINANCIALLY LITERATE

Money.

We need it. We don't want to need it. We want it. We don't want to want it. We can't seem to live with it. We can't live without it.

Years ago, when I wanted to find more peace and understanding in my relationship to money in my life, I heard about an exercise that involved having “a conversation” with money. Because I’m a writer, I was drawn to the dramatic potential of this exercise.

In my mind’s eye, I sat down with “my money.” I imagined a slim guy with big glasses, buffed leather shoes and a nicely tailored gray-green suit. This was my man Money. He looked a bit dejected, like nobody

had talked to him in a long time.

To eavesdrop on our conversation, see the sidebar on Page 22. In one assignment that took me 10 minutes to accomplish, I learned that I’d been ignoring my money, blaming it for things it couldn’t possibly control, and hoping on some level that it would just “go away” so I wouldn’t have to worry about it anymore.

In the days and months that followed this exercise, I started paying more attention

to money — my own and the money in the financial world at large. Where was I earning money? Where was I spending it? How was I investing my savings? Was I saving enough for retirement? I read the business pages of *The New York Times*. I balanced my checkbook regularly.

My relationship with my money became less fraught and more peaceful. I felt less idiotic and more empowered, just by paying attention and learning some simple financial basics, the kind they don't teach at most art schools.

If I'd been consulting with Amy Smith (headlong.org) at the time, she might have told me that I had finally started to become "financially literate."

Busting the Myth of the Starving Artist

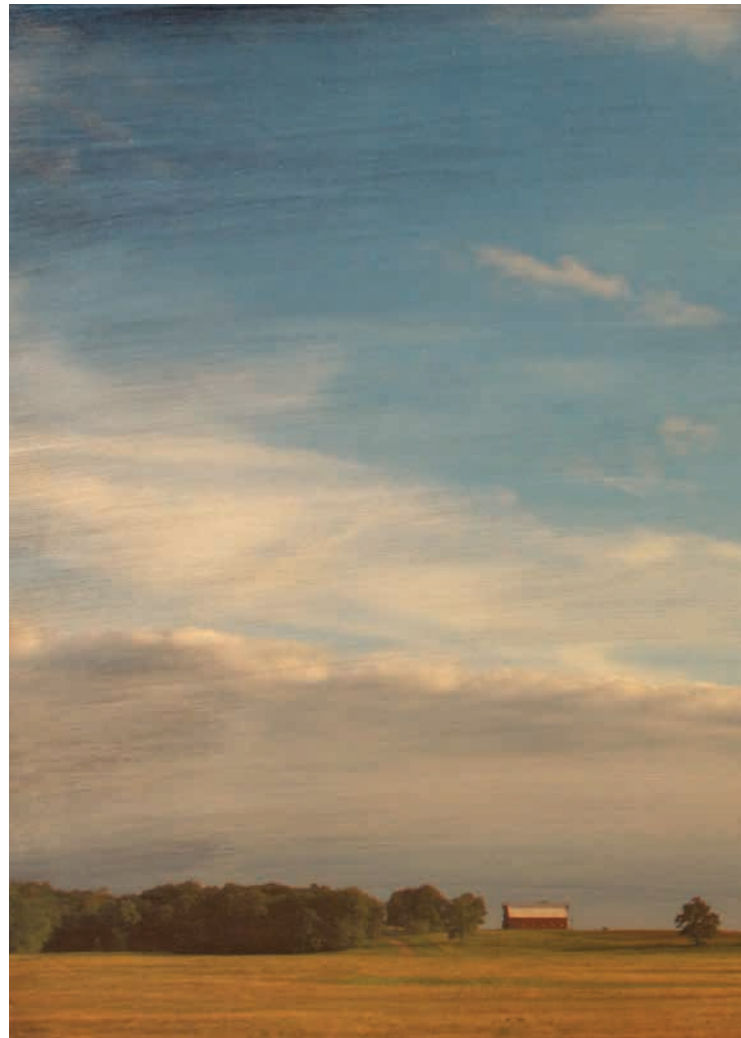
Smith trained as a dancer and now works as a choreographer, but she always had an affinity for financial planning. At her day jobs, she taught herself how to make business plans and use Excel and QuickBooks. Now she's the co-director and finance director at Headlong Dance Theater in Philadelphia and also teaches financial literacy to artists at Creative Capital (creative-capital.org) in New York City.

"My personal mission is to help other artists increase their financial literacy so they can build sustainable lives," Smith said. "Artists leave the field for practical reasons like not being able to figure out budgets." Smith teaches artists how to create budgets, negotiate fees, write grants, file taxes, consider home ownership, save for retirement and project earnings, among other topics.

The biggest burden we artists have is that we're hampered by the idea that we're not good with money, which when you talk to most artists, isn't even true.

"Artists have taken on the myth that artists are bad with money, and they've internalized that," Smith said. "Every artist I've ever met is smart enough to figure all this out.

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They've just been disempowered by teachers and parents."

Photographer Chris Dahlquist (chrisdahlquist.com) concurs. Based in Kansas City, she teaches strategic planning and business skills to artists at Artist INC (artistinck.com). Like Smith, she grew up in a family where somebody had a job related to money. Smith's grandfather was a tax attorney. Dahlquist's mother was an accountant.

When Dahlquist realized that her understanding of money "made the difference in why I was able to do my art full time," she decided that she wanted to help other artists become financially savvy.

"The truth is that artists don't have a lot of money, but we're brilliant with it," Dahlquist said. "We're so resourceful. We know how to stretch a dollar. If someone just has a traditional day job, they don't have the skill set to be an artist."

2 Amy Smith in Headlong Dance Theater. Photo courtesy JJ Tiziou.



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Make a Budget

One of the financial basics that both Smith and Dahlquist teach artists is how to make a budget — both a project budget and a household budget — and to deal with the fear that comes up with learning to manage your money.

“There’s a fear that a budget will limit them,” Dahlquist said. “But every single day, you’re budgeting whether you’re thinking of it as a budget or not. For example, we go out for drinks after class sometimes. When you decide to have a cheap beer rather than an expensive cocktail so you can also buy a burger, that’s budgeting. It’s taking the resources you have and deciding how you want to allocate them.”

Smith teaches her students how to value their time. “We do an exercise to figure out how much money you need to live in a year and then work backward to establish your rates for your time,” she said. Her students also make a pie chart showing all of their income streams and then look ahead



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three years and ask: How do I want to change where the income streams are coming from?

Change Your Pricing

Even with her strong financial background, Dahlquist had trouble charging enough for her artwork. Then, in a conversation with her mentor, she had a personal aha moment that changed her attitude about pricing forever.

“I said to my mentor, ‘I’m working too hard. I’m working every minute.’ And my mentor looked at me so dispassionately and said, ‘Well, then you’re not charging enough.’ ‘I’m charging what the market will bear,’ I said. ‘Then you can’t afford to make it,’ she answered.”

The mentor reminded Dahlquist that in no other business in the world would you be selling something for

cheaper than what it costs to make over the long term. “You’re subsidizing it with your own life and that’s not sustainable,” Dahlquist said.

The mentor challenged Dahlquist to double her prices. But Dahlquist felt that was too big a jump. She agreed to go up by half at her next show.

“I sold fewer pieces. But I had the same bottom line, which meant that I had more profit,” she said.

The difference between cash flow and profit is a lesson Dahlquist teaches often. “Cash flow is what moves through your hands,” she said. “And profit is what’s left in the end.” In her case, she had the same cash flow when she raised her prices because she earned the same total amount of money. But her profit margin increased because she sold fewer pieces, which made her costs lower.

A CONVERSATION WITH MY MONEY

Me: Hi.

Money: Hey.

Me: How are you?

Money: OK.

Me: Why so quiet?

Money: You haven't paid much attention to me in quite a while. In like, forever.

Me: I'm sorry. I know this makes no sense, but I feel afraid that if I check on you, you might disappear.

Money: So you ignore me?

Me: I know. So tell me, what can I do to help our relationship?

Money: Really? You want to know?

Me: Yes.

Money: You could start by paying attention to me. You never just look in on me. I like to be organized. In neat columns and folders. Also, stop blaming me for everything.

Me: I'm sorry. How do we start?

Money: Add me up. Balance the checkbook rather than sticking the bank statement in a drawer. What have I ever done to you?

Me: I do appreciate you.

Money: This is how you show it? But listen, no fawning over me. I'm not a god. I'm just a tool. I give you choices. But for all I do, I get too much flack.

Me: Thanks for telling me. I get it.

Money: I want to be part of your life. I can work for you. But I need to be taken care of and included.

Me: Stop already. I said I get it.

Money: One more thing.

Me: What now?

Money: I accept your apology.

Please send your conversations with your money to editor@professionalartistmag.com. We will post our favorites on the *Professional Artist* website!

Painter DeWit Never Had a Choice

Painter Deborah DeWit (deborahdewit.com) has been making a living from her art for 35 years. She sells her original oil paintings, and over the years, she has also licensed her work for book covers, calendars and greeting cards.

She credits part of her success to a decision she made at the beginning of her career. "I told myself long ago that if I can't make a living at it, I'm not going to be able to do it. I'm not a multitasker. I knew that if I had to go out and get a job, that job would feed the same needs that I'm getting fulfilled in my artwork."

All these years later, she continues to make 100 percent of her living from her art, even as her work progressed from photography to pastels to oil paintings.

"I didn't give myself any choices," she said. "Either I was going to make a living or I wasn't going to do it."

DeWit doesn't find the financial side of her business daunting. She uses an accountant. She's strict about keeping good records. When it comes to pricing, she bases her new prices on her old prices. Her last show sold out, so next year she'll be raising her prices by 10 percent.

But she has had her challenges with prices. She once looked at her work and thought, "it's so expensive." But she knows that if she doesn't make enough money, she won't be able to afford to be an artist. That pressure gives her focus.

When Dahlquist teaches her students about pricing she often hears them say, "I want my peers to be able to afford my work," so the artist will price work based on her own personal economy. Dahlquist reminds her students that "the collector has a different economy. Typically, they have more disposable income."

Over the years, DeWit has learned about the intrinsic value of her work in her conversations with her collectors, and that makes pricing less challenging.

"When I was younger, I'm not sure I understood the value of art in the world the way I do now," DeWit said. "Not just the monetary value. I didn't understand how important a role artists play in people's lives who are not artists."

When a viewer experiences one of her paintings "they see a point of view about the world or about what is possible to see that they didn't see before. My work opened up a window to looking at the world or an idea that they might not have thought of," she said. That opening, that new thought, that changed perspective has tremendous value for those who admire and purchase her work.

"I believe in beauty," DeWit said. "The big B word. That's what I strive for. People benefit from having it in the world. Life is hard for everybody, and a painting can distill something out of the chaos."

The Making Money Taboo

Dahlquist has noticed among some artists a "taboo around making money or in having a desire to make money" from one's

art. The thinking goes: “If we really love our art then why do we need to make money from it? That’s somehow a lesser motive,” Dahlquist said.

Smith thinks that it’s not so much a taboo about making money, but that many artists don’t want to participate in our “hyper-consumer” culture. “My response is that they can participate as much as they want. I just don’t want artists to be taken advantage of because they’re not financially literate or to stay poor so that they can’t ever get any capital,” Smith said.

Dahlquist teaches her students that financial stability means creative freedom. “It means having choices,” she said. Financial stability also helps you sell more work.

“From a pure sales point of view, people can smell desperation. It pushes people away from you when you’re wanting to attract them toward you,” she said.

When Dahlquist feels financial scarcity, she reminds herself of the abundance she has in her life in other areas. “If I’m scarce on financial resources, I think about the creative resources I have in my friends. Money is just one source of abundance. I find abundance, wherever it is.”

Conversation with Money, Part 2

I recently had another conversation with “My Money.” He wasn’t quite as perturbed as when we first spoke. He reminded me that it was time to start paying attention again. I hadn’t checked on my household budget in too long, and it had been months since I balanced my checkbook.

So, I purchased the 2015 version of Quicken after researching options such as Mint.com to track my income and expenses. I started re-reading one of my favorite books about money, *The Secret Life of Money* by Tad Crawford (Allworth Press, 1994).

In Crawford’s book, I learned that money can also be experienced as life energy. If that’s true, then I’m even more motivated to pay attention to where my life energy is coming from and where I’m expending it. Paying attention helps me make informed decisions based on where I want to go and the resources I have to get me there.

In Crawford’s epilogue, he writes, “Each of us must decide how willing we are to share our money, our productivity and our energy. So our relationship to money can deepen our understanding of our connection to other people and to our community.”

I thanked my money for talking to me and promised I’d be in touch again soon. **PA**



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Gigi Rosenberg is the editor of *Professional Artist*. She’s also an artist coach and the author of *The Artist’s Guide to Grant Writing* (Watson-Guptill, 2010). She’s been a guest commentator on Oregon Public Broadcasting, performed at Seattle’s *On The Boards*, and been published by Seal Press, Poets & Writers, and Parenting. For the latest, visit gigirosenberg.com or reach her at grosenberg@professionalartistmag.com.

5 Exposure, 2014, by Deborah DeWit. Oil on wood panel, 24” x 28”. Copyright © 2014 Deborah DeWit. Used by permission of the artist. 6 Artist Deborah DeWit in her studio. Photo courtesy Carl Vandervoort.