



Handmade Pricing Checklist & Calculator

The Sewing Business Profitability Blueprint (Extended Calculator)

For a sustainable craft business, you cannot rely on guesswork. Use this detailed breakdown to ensure every piece you create contributes to your bottom line.

Step 1: Direct Material Costs (Accurate Unit Costs)

If you buy fabric in bulk, divide the total cost by the number of units you can produce from that material.

- [] **Primary Fabric:** \$____ (cost per yard/unit)
- [] **Lining & Interfacing:** \$____ (stiffeners, backing, or interior fabric)
- [] **Hardware:** \$____ (zippers, buckles, buttons, grommets)
- [] **Thread & Consumables:** \$____ (thread, needles, machine oil; suggest \$0.20–\$0.50 per unit)
- **Total Raw Materials = \$____**

Step 2: Labor Cost (Your Time Valuation)

The most common mistake is failing to pay yourself. Set a rate you would pay a professional artisan.

- [] **Target Hourly Rate:** \$____ / hr
- [] **Production Time:** ____ minutes / 60 = ____ hrs
- **Total Labor Cost (Rate × Time) = \$____**

Step 3: Overhead & Fulfillment (Hidden Operational Expenses)

These costs accumulate quickly; accounting for them now prevents end-of-year losses.

- [] **Packaging:** \$____ (boxes, mailers, tissue paper, branded stickers)
- **Marketing & Platform Fees:** \$____ (Etsy 6.5% transaction fee + \$0.20 listing fee + allocated ads budget)
- [] **Operational Overhead:** \$____ (electricity, machine depreciation, internet access)
- **Total Overhead & Fees = \$____**

Step 4: Final Pricing Strategy (The Profitability Formula)



Apply the standard retail markup to ensure your business remains scalable and healthy.

1. **Base Cost** (Sum of Steps 1+2+3) = \$_____
2. **Wholesale Price** (Base Cost $\times$ 2.0) = \$_____ (The price you would charge retailers)
3. **Retail Price** (Wholesale Price $\times$ 2.0) = \$_____ (Your final Etsy listing price)

Pro-Tip: If your calculated **Retail Price** significantly exceeds the market average for your niche, do not lower your price. Instead, **optimize your production time (Step 2)** through batching or **negotiate wholesale material rates (Step 1)**. Competing on artisanal value is always more sustainable than competing on the lowest price.