



THINK TANK
for Artists

Mentoring Seminar for Creatives
presented by Arts Council members Glen Hay & Stacey Gilmartin

Wednesday, January 10
7 - 8:30pm



Concept by Glen Hay, organized by Stacey Gilmartin.

THINK TANK TOPICS

A helpful booklet about the business side of being an artist.

Compiled by Stacey Gilmartin

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Think Tank Topics

Jan 10, 2024

STARTING YOUR BUSINESS:

LLC, Sole Proprietorship, Corporation, Doing Business As (DBA). Best to consult with your accountant or lawyer regarding your options (overview - see below*).

DO I NEED TO REGISTER MY BUSINESS? **Yes.**

Because without a business ID (EIN #) you cannot participate in high-end art and craft events organized by professional promoters.

BUSINESS OR HOBBY? See page 12

The IRS has 9 factors in determining if your activity is a hobby or a business. For example, they look at the time and effort you spend on the activity. The IRS also considers if you operate the activity like a business and depend on the income for your livelihood.

If you profit from your activity in at least three of the most recent five ta years, the IRS considers that a business. Or if you intend to engage in a profit-making venture, you have a business.

The advantage of having a business is that you can write off your expenses, but you need to apply for a business license.

DO I NEED INSURANCE? **Not always.**

- Glen Rock Borough accepts your homeowner’s insurance to cover liability.
- Montclair, for example, requests you pay \$25 to cover your liability per event – even if you have insurance.
- ACT Insurance (888-568-0548, actinsurance.com) for general vendor liability insurance that protects crafters/artists for 1 day, month or year.

*LIMITED LIABILITY COMPANY (LLC) See page 13

- Offers limited liability protection and pass-through taxation*. Owners cannot typically be held personally responsible for the business debts and liabilities.
- *(Pass through or flow through taxation is a legal business entity that passes any income it makes straight to its owners.)
- Con: LLC usually cost more to form and maintain than a sole proprietorship.
- Transferable Ownership – LLC is often harder to transfer than with a corporation.

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Wednesday, January 10
7 - 8:30pm
Glen Rock Library, 315 Rock Road Glen Rock NJ

Choosing Promoters & Shows	Commercial Art vs My Art	Moving On Up: from Hobby to Pro \$\$\$\$\$ Salary vs Contractor
Marketing Controls Your Art. Why?	arts council of Glen Rock	Freelance isn't "Free" Is Freelance right for me?

RSVP by 1/5/2024 acgrmembership@glenrocknj.net

*SOLE PROPRIETORSHIP

An unincorporated business that has just one owner who pays personal income tax on profits earned from business. You may do business under your own name; creating a separate business or trade name isn't necessary. SP are easy and inexpensive to create and maintain.

Con: You have unlimited liability for debts. There is no legal distinction between private and business assets. Your capacity to raise capital is limited.

*DOING BUSINESS AS (DBA)

A DBA can be referred to as a trade, assumed or fictitious name – think of a DBA as an alias. Good for an established business creating an offshoot company, rebrand or expanding into a new state but finds their current business name is already taken in that location. Creating a DBA solves that problem.

Con: A DBA is not a business structure nor a legal entity – it is just a name that brands your business. A DBA does not protect your personal assets and it does not give you exclusive rights to the DBA name (depending on state's rules).

TAXES: (Sales tax 6.625%)

- FOR LLC – file quarterly using ST-50 Sales and Use Tax:
- File **quarterly** (March, June, September, December)
- Sales Tax returns on [Form ST-50](#).
- Make **monthly payments** using [Form ST-51](#). (Note: Form ST-51 is used to remit payments only. You cannot file this form unless you have a payment to submit.) If you collected **\$30,000 or less** in New Jersey Sales and Use Tax during the prior calendar year, you are **not** required to make a payment for either the first or second month of the calendar quarter, no matter how much tax is due for that particular month.
- **You must file your monthly payments and quarterly Sales Tax returns on or before 11:59 p.m. of the 20th day of the month after the end of the filing period.** If the due date falls on a weekend or a legal holiday, the return and payment are due on the following business day. Include all sales made during the filing period on your return, even if you have not received payment from your customer.

BRANDING: Business Card, signs, posters, packaging (flags, tablecloths or runners with logos):

www.vistaprint.com

<https://www.usbox.com/>

<https://www.4imprint.com/>

www.Staples.com (prefer Ramsey, Nj location)

FIVERR: <https://www.fiverr.com> offers freelance service asap – PhotoShop artists, logo design

UPWORK: <https://www.upwork.com> – a competitor to FIVERR

CANVA: <https://www.canva.com> – do it yourself, free to use online graphic design tool. Great for social media posts, posters, video, logos.

ADOBE PHOTOSHOP: www.adobe.com a graphic powerhouse. Basic \$9.99/month. Leading AI and photo/design software.

PHOTOGRAPHY

Must have fabulous product shots (good lighting, details and sometimes a ruler to visually see the size of the item – for online sales very important.

CRAFT SHOWS:

Promoters

\$ PJ's Promotions – Pat & Joe Tita: <https://pjspromotions.com/> (see ❖ Note)

\$\$ MarketSpace Vendor Events, Kim & Kevin Kramer: marketpacevendorevents.com/

\$ Cranbury Craft Show – March sponsored by the Board of Education, 2-day
<https://www.facebook.com/cranburycraftshow/>

\$\$ Renegade Craft Shows – Brooklyn in August and New York in November
<https://www.renegadecraft.com/fair/new-york-winter/>

❖ Note

\$ Marshmallow Events – Lorna, Corrine, Tim, Sam: <https://marshmallowevents.square.site/>

New event group – organized Paramus Catholic & St. Joe's Holiday Shows – **competing with PJs.** Their shows are not 100% handmade, i.e.: Sam is a Pampered Chef rep. St. Joe's in Montvale 'craft show' included PC, Tupperware, & Touchstone Crystals

\$\$ Rose Squared Art Shows – Robin Markowitz & Carol Heisler-Lawson -
<https://rosesquared.com/> 7 fine art shows May – Oct

\$\$\$ Artrider – 8 shows <https://www.artrider.com/>

\$\$\$ Sugarloaf Craft Festival – Edison NJ
<https://festivalnexus.com/sugarloaf-crafts-festival-in-edison-nj/>

\$\$\$ Marketplace Events – North America, <https://www.marketplaceevents.com/our-shows>

Glen Ridge Arts And Eco Fair – May 18 – glenridgeartsandecofair@gmail.com.

CHRISTMAS ONLY:

German Christmas Market of NJ – Sussex County, outdoors tent provided December
<https://www.germanchristmasmarketnj.org/>

New England Christmas Festival at Mohegan Sun, 2 days in November
<https://nechristmasfestival.com/>

Check Facebook Pages for holiday craft events. Better to attend first (or ask a friend who attended), and apply for the following year. GOOGLE is your friend.

HOLIDAY SHOWS:

Note: Deliver in October and pick up in December (6 weeks) – you pay a registration fee (\$85?) and they sell for you and take a percentage (25%):

Classic Creations Boutiques in the Hermitage Museum – Carolyn Strassman
ccboutiques@gmail.com Ho Ho Kus, NJ

Lambert Castle (reopening 2024), Contact: Lorie: lambertcastle.org/boutique Paterson, NJ

Opdykes Bayhead Country Holiday Show, contact: Gigi or Lauren:
gigi@opdykefurniturenj.com Point Pleasant NJ

Commission:

HOLIDAY SHOP AT BACKYARD LIVING, 235 Franklin Ave. Ridgewood – ask (new owners)

Several local gift and novelty stores often sell handmade items. being in a store ‘validates’ your work and you reach a different audience. You can also arrange to have your clients pick up custom orders in the store (discuss with shop owner of course).

CON: commission is 60-40 or 50-50:

- **CREATIVE DEN**, Glen Rock – **Tara McGee.**
- **ROCK RIDGE**, Glen Rock – **Gloria**, buyer
- **LILY & KATE**, Ramsey. **Olive**

Consignment:

You rent space in a gift shop and sell your items often with a commission attached. Some contracts you pay for credit card fees (and more). Read the contract.

(BayOwns Vendor Market, Rancocoas Woods in Mount Laurel NJ – Janeen Hovnanian, Mgr)

RESOURCES: (Highly recommend but beware of scammers)

Do your homework, resources:

Facebook Groups:

<https://www.facebook.com/groups/craftfairsandvendorsnewjersey>

Handmade Crafters & Vendors Evens for NJ/PA/NY:

<https://www.facebook.com/groups/204859300361336>

Crafter’s Guide Group:

<https://www.facebook.com/groups/356111637775627>

❖ Note

Follow an artist/crafter you respect and visit/research shows s/he is doing. You can judge if this show is a fit for you and you avoid scammers.

Online:

- StreetFairs.org
- <https://www.artsraftshowbusiness.com/eventlistings.aspx?state=NJ>
- <https://festivalnet.com/fairs-festivals/New-Jersey>

SHARE YOUR SHOW INFORMATION – discussion – cost, locations, marketing, attendance.

CRAFT SHOW MUST-HAVES:

Foldable tables (6 feet standard – amount and size depend on your set up)
Floor length tablecloth(s) - one for each table
Foldable chair or stool
Rechargeable table light(s)
Hand truck or trolley/cart

OUTDOOR SHOWS:

10 x 10 TENT with removeable sides (some indoor shows allow tent frames)
4 Tent pole/leg weights 10 lbs each min.
Portable tent light with fan or heater
Step stool ladder

MATERIALS/ RESOURCES:

Handmade Crafters and Artisans from NY, NJ, PA, Conn

https://www.facebook.com/groups/1554683131452524/buy_sell_discussion

DISPLAY MATERIALS: (Google, “Craft Show Display Materials”)

Gershel Bros. <https://www.gershelbros.com>, 800-962-5307 (purchased shelving – reputable company).



Note

Opdyke Holiday Shoppe – Point Pleasant. 732-408-3734 ask for Gigi –
Place your items in store (early October) for the holiday season and earn commission.

Country Clubs – In September, contact the event manager at local CC to see if they host a member’s only holiday shop luncheon and inquire as how you can participate. Cost, date etc.

Uncommon Goods. This is a catalog offering original gifts – many handmade - from crafters around the world. <https://www.uncommongoods.com/our-story>

Commission/In Store Placement – while this is not a big money maker BUT it validates your talent and often leads to additional sales and custom orders.

- **Creative Den** -Tara McKee, owner, 227 Rock Road, Glen Rock
- **BayOwn’s Vendor Market** 201-492-3125 I have been contacted by Jeanine but I have not followed up. 920 Broadway, Bayonne, NJ SPACE FEES range from \$50/month - \$350/month depending on space size – 3-month min. Bayownsvendormarket@gmail.com

Best-ever craft fairs: (for me)

- **CHESTER FALL SHOW**, 2-day show, 2nd weekend in Sept in Chester NJ
- **BRIELLE DAY** – one day show, 2nd weekend in Sept.

SAVE THE DATE: Arts Council of Glen Rock ARTS FEST – 4th year – SEPT 28, 2024
Rain date: **SEPT 29**

Trade Shows- moving on up – be prepared to scale up and mass produce.

- **Philadelphia Gift Show, 2/4-6 in Oaks PA.** [Jeannie Dorchak](#) at 678-370-0340, [April Holinek](#) at 678-370-0326, or [Billy McNulty](#) at 203-580-8650.

PAYMENT PLATFORMS:

Credit card processing fees will typically cost a business 1.5% to 3.5% each transaction's total.

- **CREDIT CARD TERMINAL** – Process through a terminal
- **POINT OF SALE SYSTEM** – Process through a POS
- **MOBILE CARD READER** – Process on your phone or iPad
- **ONLINE PROCESSING** – Process with your computer

***SQUARE** - free to sign up, no long-term contracts 2.6% + 10 cents per tap, dip or swipe (higher if you **must enter payment information manually**)

***VENMO** – 1.9% + 10 cents per transaction between VENMO accounts. 3% per credit card payment. Venmo does not offer free instant transfers but does facilitate returns and offer free 1-3 day transfers.

***PAYPAL** – you can process all major credit and debit cards; your customers don't need PayPal to pay. Flat rate fee of \$.30 per transaction plus percentage-based fee of 2.9% of dollar amount per transaction withheld. Most common PP fee of 3.495 + \$.49 the fee for a \$100 transaction will be \$3.98, so total money received after fees \$96.02.

APPLE PAY – free to use but you still owe fees to the credit card companies if your customer chooses to pay with a credit card saved in their Apple wallet.

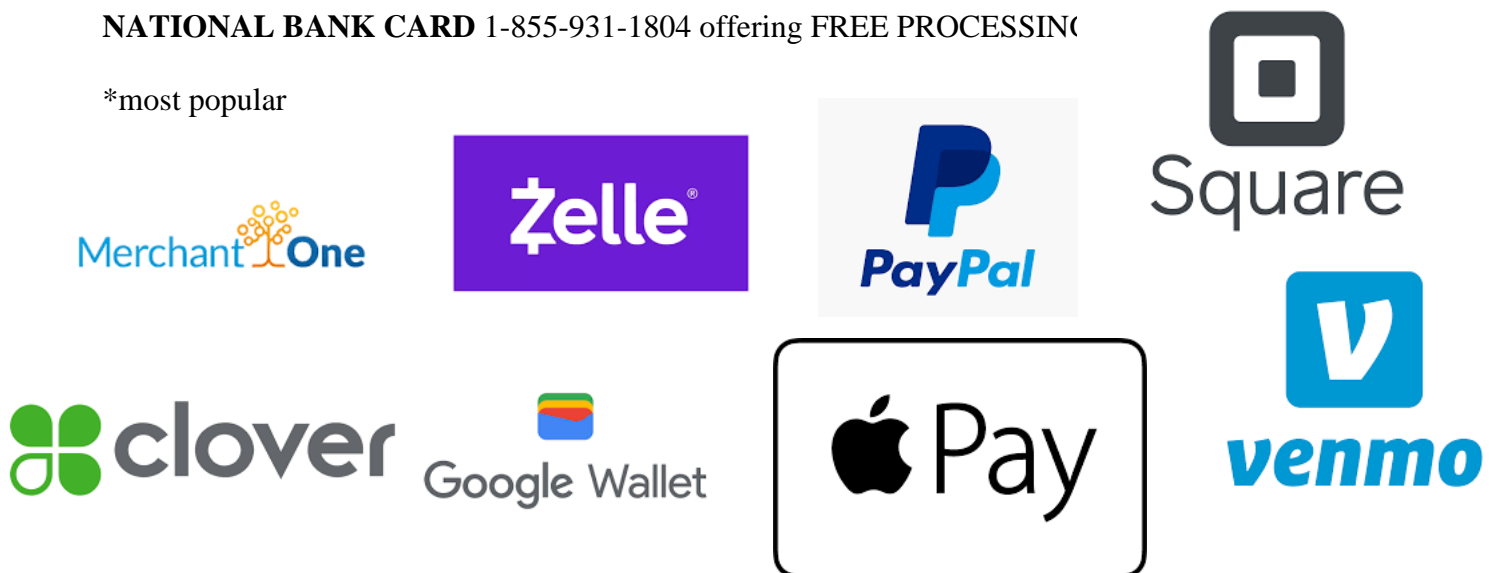
ZELLE – fees depend on your financial institution – not every bank supports Zelle. You cannot cancel payments & there is not customer protection.

CLOVER – requires you to complete a form to get rate information

MERCHANT ONE - .29 – 1.55% retail rate, 0.29 – 1.89% Internet/online rates

NATIONAL BANK CARD 1-855-931-1804 offering FREE PROCESSING

*most popular



SELLING ONLINE

Before you set up an online store TO DO's:

- Do market research
- Choose what products to sell
- Who is your target audience?
- What is your best ecommerce platform?
- Build your online store
- Promote and market your store – social media FB/IG/REELS/BLOGS***



Best apps/websites to sell and resell:

- Etsy
- IG – Instagram Market
- Facebook Marketplace – no fee

Create your store website:

ETSY.com - #1 online market. NEW: “PLATFORM” – website offer

Fees: 3 basic selling fees: listing fee (.20 to publish that last four months), transaction fee (6.5% on the sale price (excluding tax), including the shipping price you set), payment fee (3% plus .25 payment processing). A LOT!

Advertising fees – be careful. Automatic fee on sales you make from offsite ads.

Accepting payments – A wide variety including credit and debit cards, PayPal, Google Wallet, Apple and Etsy Gift cards. Your bank account is connected to your Etsy account and sales are deposited directly into your bank account (and expenses debited as well).

You do not need a business license to sell on Etsy.**



Note I did well during COVID because that's all I did. If you put in the time, you reap the reward. As with any endeavor – the more time devoted = better results.

- Every day add another item. While you're posting, post on social media to bring traffic (think limited editions),
- Offer deals (free shipping – but increase your price to balance free shipping),
- Message people who like your shop with an introductory offer/discount,
- Post on your social media sites when you added inventory or will be discontinuing items.
- Read ESTY blogs for more ideas.

SHOPIFY.com — Online e-commerce store. Free 3-day trial. Offers free store themes, can add products and set up payments & shipping. Reviews say easiest e-commerce system, good support.



Squarespace.com — \$23/month business plan; \$27/month basic commerce plan; \$49/month advanced



MakerPlace by MICHAELS.com – Sell your handmade items, sell 'seats' to online classes, share "how-to's" with omission-earning supply lists. Free product listing, low referral fees, basic membership free. Earn up to 6% in Rewards when you buy supplies for your business.



SOCIAL MEDIA – Grow your business with Promotion:

POST formats: in-feed, reels and stories. POST a mix of promotional, informational and entertaining content. Work with relevant influencers; use Instagram ads; share user-generated content; include correct # - tagging

WHICH PLATFORMS ARE BEST FOR CRAFTERS?

Whether you're selling a product or providing tutorials, anyone involved in crafts is going to be heavy on the visuals. There are four main social media platforms suited to crafters: **Instagram, Pinterest, Facebook and YouTube.**

INSTAGRAM

Photo sharing app Instagram is the platform for anyone wanting to target a younger audience. There are around a billion monthly active users, and more than half of those are under 34 years old. Additionally, over 130 million users are engaging with shopping posts – which makes it a great choice if you're looking to sell a product.

There are a huge number of creative tools that are ideal for crafters and makers. Instagram Stories, IGTV, polls, quizzes and the new Reels feature are all perfect for anyone wanting to showcase their talents. (Channels?)

FACEBOOK

Facebook is the don of social media. The oldest and most popular of all platforms, it boasts an impressive 1.62 billion daily users – which is a heck of an audience for you to tap into!

There aren't as many creative features available on Facebook, but it has recently introduced **Stories**, which work in the same way as those on Instagram. It's a great place to post daily updates, behind-the-scenes snippets and all-important business contact details.

**YOUR POST MAY GET 4
LIKES BUT YOUR STORY
CAN GET 400 VIEWS!**

PINTEREST

Pinterest is, essentially, a huge digital pinboard, and is perfect for anyone providing visual content. With 335 million monthly active users, it's not quite as popular as Facebook or Instagram, but it's still worth checking out.

The platform offers basic editing tools, allowing users to add text and other overlays to their images. There's also the option to apply for 'rich pins', which feature your branding and logo, and are updated automatically when your website is.

YOUTUBE

If you're keen to get to grips with video, YouTube has 2 billion logged-in monthly users just waiting for your content. For anyone selling handmade products, this is a great place to showcase the creative process and environment. If you're providing tutorials and lessons, it's probably the best platform for you to be on!

CREATING YOUR OWN WEBSITE, SHIPPING, E-COMMERCE:

SITE BUILDERS (FREE):

WIX, WEB.COM, SHOPIFY, WEBADOR, WEEBLY, but there are FEES TO INTERACT:

For example, WEEBLY:

- FREE – to build, but \$10/MO PERSONAL to connect to custom domain (your trade name for example)
- PROFESSIONAL – \$12/MO BILLED ANNUALLY OR \$16 MONTH-TO-MONTH – to connect to your domain and add more customization.
- \$26/MONTH BILLED ANNUALLY OR \$29 MONTH TO MONTH – to add features that drive growth and manage operations

Already have a website? How to improve traffic:

1. Use white space – less clutter, avoid above the fold – find balance
2. Optimize your page speed – avoid bounding – compress images/decrease file size
3. Use attractive calls to action – use verbs or an action to excite the user to do something - click
4. Use hyperlink differentiation – draws attention and color of link ids it, saying ‘click’ for more information
5. Segment key information with bullet points – allow reader to digest important info. Use cool icons
6. Use images wisely – stock footage v real photo of your brand, service ‘reality’
7. Include well-designed and written headlines -Search engines look for keywords in headlines so your title is important to describe your service/product
8. Keep your website pages consistent – matchy matchy – fonts, point sizes, spacing, layout...
9. Catch your 404s – delete errors, pages that don’t load. You can set up a GOOGLE Webmaster tool – free 404 checker
10. Be responsive and mobile-friendly – Google started penalizing sites that are not optimized for mobile devices. Use this tool: <http://mattkersley.com/responsive/>

SHIPPING

WWW.PIRATESHIP.COM —Discounted shipping rates, “cheapest way to ship”

- (you need a shipping scale – suggest **BRECKNELL PS7**, battery operated 2 AAA, costs \$51.98, pounds, ounces, grams)
- USPS and UPS rates
- Partnered with Shopify but you don’t need a Shopify account.
- Pirate Ship passes through the cheapest rates USPS offers, with discounts up to 89% off retail prices. These national zone averages are used to create average cost forecasts in the applicable rate sheets: The United States Postal Service offers two different pricing tiers: Retail Pricing and Commercial Pricing. USPS January 2024 Rates • Effective January 21, 2024 Pirate Ship also offers deeply discounted UPS® rates. Compare UPS and USPS rates here!

E-COMMERCE

SQUARESPACE.com. = sell anything

TIK TOK SHOP – “one stop e-commerce solution for driving brand growth and sales.”

INSTAGRAM SHOP – Convert your Instagram account to a business account, connect it to a catalog of products (your website) and create shoppable posts

WHAT IS A SEO? Search Engine Optimization

The process of improving your website to increase its visibility in Google. Using “KEY WORDS” (tagging) you can drive traffic to your site, making your site easily findable, more relevant and popular with search queries and the more traffic the higher the rank by search engines.

A.I. Artificial Intelligence

“AI Optimize” allocates traffic to an unlimited number of variations and uses a combination of contextual data, behavioral data and machine learning to serve visitors the version of your webpage with the highest probability of converting. This is a paid service. Intellimize.com for example, offers a free trial.

BUSINESS OR HOBBY? Guidelines from the IRS

The IRS has 9 factors in determining if your activity is a hobby or a business:

1. Do you conduct your activity in a businesslike manner and maintain complete and accurate books and records?
2. Do you have personal motives in carrying on the activity?
3. Is the time and effort you put into the activity indicate you intend to make it profitable?
4. Do you depend on the income from the activity for your livelihood?
5. Are your losses due to circumstances beyond your control (or normal in the startup phase of your type of business)?
6. Do you/your advisors have the knowledge needed to carry on the activity as a successful business?
7. Were you successful in making a profit in similar activities in the past?
8. Whether the activity makes a profit in some years and how much profit it makes
9. Can you make a future profit from the appreciation of the assets used in the activity?

More information can be found in Section 1.183-2(b) on the Federal Tax Regulations.

2024 Vehicle Mileage Rates

The IRS has issued the 2024 optional cents-per-mile rates used to calculate the tax-deductible costs of operating a vehicle:

- Effective Jan. 1, 2024, the standard mileage rate for the business use of a car (including vans, pickups, and panel trucks) is 67 cents per mile. (This is up from 65.5 cents per mile for 2023.)
- The 2024 rate for medical or eligible moving purposes is 21 cents per mile. (For 2023, the rate was 22 cents per mile.)
- For charitable driving, the 2024 rate is 14 cents per mile (unchanged from 2023).

Note that these rates apply to electric and hybrid-electric automobiles as well as gasoline and diesel-powered vehicles. Contact the IRS for more information.

THE ADVANTAGES OF LLC STRUCTURE for a Small Business

If you operate your small business as a sole proprietorship, you may have thought about forming a limited liability company (LLC) to protect your assets. Or maybe you're launching a new business and want to know the options for setting it up. Here are the basics of operating as an LLC and why it might be a good choice for your business.

An LLC is a bit of a hybrid entity because it can be structured to resemble a corporation for owner liability purposes and a partnership for federal tax purposes. This duality may provide owners with the best of both worlds.

Protect Your Personal Assets

- Like the shareholders of a corporation, the owners of an LLC (called "members" rather than "shareholders" or "partners") generally aren't liable for the debts of the business except to the extent of their investment. Thus, the owners can operate the business with the security of knowing that their personal assets are generally protected from the entity's creditors.
- This protection is much greater than that afforded by partnerships. In a partnership, the general partners are personally liable for the debts of the business. Even limited partners, if they actively participate in managing their businesses, can have personal liability.

Enjoy Partnership Tax Benefits

- The owners of an LLC can elect under the "check-the-box" rules to have the entity treated as a partnership for federal tax purposes. This can provide a number of benefits to owners. For example, partnership earnings aren't subject to an entity-level tax. Instead, they flow through to the owners, are reported on the owners' individual returns and are taxed only once.
- To the extent the income passed through to you is qualified business income (QBI), you'll be eligible to take the Section 199A QBI deduction, subject to various limitations. However, keep in mind that this deduction is temporary. It's available only through 2025, unless Congress acts to extend it.
- In addition, because you're actively managing the business, you can deduct on your individual tax return your ratable shares of any losses the business generates. This, in effect, allows you to shelter other income that you (and your spouse, if you're married) may have. (Limits on the business loss deduction do apply.)
- An LLC that's taxable as a partnership also can provide special allocations of tax benefits to specific partners. This can be a notable reason for using an LLC over an S corporation (a business structure that provides pass-through tax treatment similar to a partnership). Another reason for using an LLC rather than an S corporation is that LLCs aren't subject to the restrictions the federal tax code imposes on S corporations regarding the number of owners and the types of ownership interests that may be issued.

Consider All Angles

An LLC can give you corporate-like protection from creditors while providing the benefits of taxation as a partnership. For these reasons, you may want to consider operating your business as an LLC.