



How to Start a Gallery

The art business can be unpredictable, especially in New York. We asked several art dealers how they stay afloat — and how much it costs to do so.

By Julia Halperin

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Without galleries — the point of entry for both artists and buyers — there would be no art market. But these businesses are also legendary for their lack of transparency. Information, especially about finances, seems opaque and secretive by design.

With this in mind, we set out to learn the basic mechanics of running a gallery in New York City circa 2023 — what it costs, for everything from rent to insurance to other, less anticipated expenses. New York was a natural area of focus, as it is home to more than 760 galleries with at least one paid employee; that's 16 percent of all similar galleries in the U.S., more than any other city, according to [a 2020 analysis](#) by the art economist Clare McAndrew. While much attention in the press is lavished on the handful of megagalleries routinely selling multimillion-dollar paintings, we focused on a group of art dealers with five or fewer full-time employees who are more representative of the small or midsize businesses that make up most of the industry.

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1. Take the leap.



“Leap Into the Void” (1960), an artistic action by Yves Klein photographed by Harry Shunk and János Kender. Credit... © The Estate of Yves Klein, c/o ADAGP, Paris 2023. Collaboration Harry Shunk and János Kender © J. Paul Getty Trust. Getty Research Institute, Los Angeles

Opening a gallery is a bit like becoming an artist. If you’d be happy doing anything else, those with experience say, don’t do it. “It’s a goat rodeo every day,” says dealer Cristin Tierney, 52. “Good thing I love goats.”

Most dealers get into the game for a simple reason: They want to help build the careers of the artists they love and help other people fall in love with them, too. Along the way, they pick up a skill set that ranges from charming wealthy collectors by night to applying drywall by day.

The amount of start-up capital needed varies. After several years working at a Chelsea gallery, Rachel Uffner, 45, set out to open [her own space](#) in 2008. She sold art informally on the side and cobbled together about \$125,000: a mix of small business loans, revenue from the sale of art to a corporate collection, and \$25,000 her parents had been saving for

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her wedding. Jasmin Tsou, 38, the founder of [JTT](#) gallery in Tribeca, started out in 2011 with a \$2,000 loan from her former employer, the dealer Michele Maccarone. It was enough to pay for a tiny booth at an art fair, where she ended up selling more than 30 works.

2. Find a space.



Thomas Struth's "Crosby Street, Soho, New York" (1978). © Thomas Struth

Like any other business, galleries are all about who you know. Some dealers sublet their first space from a supporter or friend at well below market rate.

An artist offered to rent Tsou a 500-square-foot gallery on the Lower East Side for \$3,000 a month as long as she agreed to clean out the trash that had piled up inside. "The trash was drywall, studs, paint, plaster — I used all of that to build the space out," Tsou recalls. "If the universe had not opened every single door at every moment, I don't know if I would have done it." Other dealers hit the pavement for months in order to find that elusive mix of good bones, good vibes and a good price. "I must have looked at 40 spaces," said Helena Anrather, 36, who [opened up shop](#) in Chinatown in 2017.

These days, rents can be eye-watering. Jonathan Travis, a partner at Redwood Property Group, estimates that the average ground-floor gallery space in West Chelsea or TriBeCa

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costs around \$100 per square foot. On the Upper East Side, rents can cost up to two or three times as much, making it “the most expensive gallery district in the city,” Travis says. (Prices for upper floors in the neighborhood are more comparable to those in Chelsea and TriBeCa.) The most affordable option for a dealer starting out in Manhattan is an upper floor in Chinatown, which could cost, at the lower end, \$5,000 a month. But even that requires serious investment. A first-time business owner, Travis warns, should be prepared to put down a security deposit of as much as eight months’ rent, though that number too will vary depending on the neighborhood.

3. Build a roster of artists.



David Robbins's "Talent" (1986). © David Robbins 1986

Often, dealers start out mounting shows of work by friends or acquaintances before looking farther afield. Open studio events, art-school graduate shows, Instagram, international biennials — all are frequent hunting grounds for new talent. Rachel Uffner met Curtis Talwst Santiago, a Canada-born, Munich-based artist who creates tiny dioramas inside jewelry boxes, while he was doing a residency at the art space Pioneer Works in Brooklyn. “We’re lucky in New York because a lot of people come to us,” Uffner says.

The artist-gallery relationship is a bit like dating. Young artists might work with a number of art dealers casually — contributing a painting to a group show or art-fair booth, for example — before committing to something more serious, like a solo show. Only then might they agree to formal representation, in which a gallery becomes the artist’s official agent. “You have that status conversation — ‘What are we?’” Anrather says. “It’s important to be clear about one another’s goals.”

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Galleries make introductions to curators and other influential art-world tastemakers, shape the career trajectories of the artists they represent and generally split sales proceeds 50-50. One or two highly successful artists can sometimes drive a large portion of a gallery's profits, which makes it all the more stressful when a megagallery like Gagosian or David Zwirner — which offer considerably more resources and better infrastructure — woos them away. Still, smaller dealers may try to strike a deal to share representation. “At the end of the day, if David Zwirner or Hauser [& Wirth] comes to an artist I work with and says, ‘We’re going to have a show,’ what am I going to say? No?” asks the dealer Charlie Moffett, 38. “There is this tacit understanding that if a bigger gallery does offer them an opportunity, they would like to find a way to keep working together ... but you can’t hold on too tight.”

4. Find your people.



Jared French's "The Rope" (1954). Credit... © Estate of Jared French, courtesy of DC Moore Gallery, New York. Digital image © Whitney Museum of American Art/Licensed by Scala/Art Resource/ARS, NY

A gallery is more than just the artists it represents — it's also the community of people who keep the operation going. That cast includes art handlers (who get the art from place to place and install it safely), directors (who sell art to collectors and serve as the main point of contact for artists), registrars (who keep track of art as it travels from, say, gallery storage to a museum or to a collector's home), and fabricators (who help artists with highly

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technical production). Anrather noted somewhat sheepishly that her director, Megan Yuan, started out as an unpaid intern; her role — and salary — grew alongside the business. (Yuan was sent over unannounced by a gallery in the neighborhood that had overestimated the number of interns it could accommodate that day.) The market rate for a director at a midsize gallery varies widely, according to dealers: between \$60,000 and \$120,000, plus perhaps a 10 percent commission on each work they sell, based on the gallery's profit, or a bonus predicated on the gallery's total annual revenue.

5. Build your network of collectors.



Alex Katz's "The Cocktail Party" (1965).Credit...© 2023 Alex Katz/Licensed by VAGA at ARS, NY.
Photo: Tom Van Eynde

It takes fewer collectors than one might think to keep a gallery afloat. "In any given year, you are selling a huge percentage of what you sell to a handful of people," says Tierney, who founded her gallery in 2010. Some dealers can rely on a core group of a dozen or more supercollectors who consistently buy art from multiple exhibitions a year, and many more who make one or two purchases over the course of a decade. As Tierney put it: "I have had times where someone who I met at a panel discussion 10 years ago sends me an email out of nowhere and says, 'How much is that?'"

6. Get your priorities straight.



Pablo Barba's "The Influencers" (2022). Courtesy of the artist and A Hug From the Art World

Art dealers have to make decisions about where to spend and where to save. Rather than renting out an expensive Chelsea restaurant for a post-opening soiree, which can cost more than \$15,000, many young dealers opt to celebrate their artists with beer and pizza at a nearby bar for less than \$2,000. Few work with specialist PR firms, which can charge as much as \$10,000 a month. Anrather turned the gallery's defunct elevator shaft into "extremely compact storage" to minimize her off-site storage fees. Kendra Jayne Patrick, who founded her itinerant gallery in New York in 2018 and opened a brick-and-mortar space in Bern, Switzerland, last year, says she often takes advantage of certain European airlines' generous luggage policies to cut down on art shipping costs, and uses those savings to fund complex installations.

Dealers say some things are still worth splurging on, like photography of every exhibition (\$1,000 to \$3,000 a pop). Several invest in catalogs, essays and scholarly research on gallery artists (\$15,000 to \$50,000 a year). Tierney sets money aside for travel to small cities where collectors and curators rarely get house calls (\$20,000 a year). Moffett covers

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half of his qualifying artists' health insurance; Polina Berlin, 38, who founded her Upper East Side gallery last year, fronts money for top-of-the-line materials. "I went to pick up handmade watercolors and ended up putting \$2,500 worth of paint on my credit card," she says. "My jaw dropped."

7. Figure out your art fair strategy.



Louise Lawler's "Big" (2002/2003). Courtesy of the artist and Sprüth Magers

Art fairs are a necessary part of the gallery business: They drive anywhere from 10 to 40 percent of all revenue, according to dealers. If a gallery offers market-friendly material (which usually means attractive paintings), it can pocket more than \$250,000 in just a few days (though travel, booth fees and other expenses can easily exceed \$50,000).

Some small and midsize galleries are working to limit their reliance on fairs. The Bogotá, Colombia-based Instituto de Visión decided to open a location in New York in 2021 in part to increase international exposure for its artists, and to be more discerning about the number of fairs in which the gallery participates. Still, many businesses find them necessary, if not exactly desirable. "As someone put it to me recently, 'With art fairs, the house always wins,'" Anrather says.

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Other dealers have begun approaching fairs as vehicles for exposure rather than sales. “We pick one fair a year where we say, ‘This comes out of our PR and marketing budget,’” Tierney says. Last year her gallery presented a complex seven-channel installation by the video art pioneer Mary Lucier at the Frieze Masters fair in London. It didn’t fly off the shelf, but it raised the artist’s profile in a way an ad rarely does.

8. Expect the unexpected.



Jessie Homer French’s “Three for the Fire” (2006). © Maxwell Benson Entertainment Ltd, courtesy of the artist, Massimo De Carlo, and Various Small Fires

Dealers quickly learn that it’s important to leave some buffer in the budget. “Nobody sits you down and tells you about the fines,” Uffner says. “You get fined for stuff you didn’t even know you needed to do.” (For example, [Gagosian Gallery was fined \\$4.28 million](#) in 2016 for failing to properly administer New York sales tax on art shipped to and from the state.) Uffner’s gallery recently paid \$7,000 to settle a lawsuit over its website, which a plaintiff claimed was not in compliance with the Americans With Disabilities Act. Then there are other unforeseen costs, like the \$5,000 she paid to get an emergency replacement for the gallery’s hot water heater.

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The patchy and unpredictable nature of the gallery business means that in order to be successful, you have to see the job as a calling. “I do this because I want to live in a world where people feel supported to make things,” Tsou says. “It’s a bizarre thing we do as humans, and also one of the most beautiful.” In a testament to the precarity of the business, shortly following this interview, JTT [abruptly announced](#) it was shutting down after 11 years.

What Does It Cost?

The gallery business can be extremely volatile. In a slow month, a dealer might be uncomfortably in the red; in a busy month, they might accrue enough revenue to cushion them for the rest of the quarter. And one sale could make the difference between a good month and a lousy one.

The below is a sample budget for a small-to-midsize gallery during a particularly busy month of sales. (Opening an exhibition and participating in an art fair in a four-week stretch is the exception rather than the rule, but both are included here to offer a broad cross-section of a gallery’s activities.) The figures are a composite sketch, reflecting an average of the numbers shared by the sources interviewed.

Shipping: \$3,500
Storage: \$2,500
Director’s salary: \$10,000
Rent: \$12,000
Art fair: \$50,000
Opening dinner: \$2,500
Exhibition photography: \$2,000
Exhibition catalog: \$5,000
Insurance: \$3,500

Total Costs: \$91,000
Total Monthly Revenue: \$295,000
Total Profit: \$204,000