FANTASY ECONOMICS

SECOND EDITION



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BEYOND GOLD PIECES

A guide to economic systems in fantasy worlds · OnixShu

FANTASY ECONOMICS

I wrote this book in the belief that the background and consistency of our worlds are the foundation of a great story within them, and that the worlds we build feel truest when we respect and account for the work of a small-town baker no less than the deed of a seasoned hero. May it serve you well.

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PART · I

Introduction

"It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest."

ADAM SMITH · *An Inquiry into the Nature and Causes of the Wealth of Nations*, 1776

Fantasyworlds are full of wonders, but behind the dragons and wizards lies something important: the economy. It binds society together. And yet people rarely talk about it seriously. Usually, it all boils down to a handful of gold and silver coins. Almost no one asks what backs the currency, or how magic bends the market. So the world ends up feeling like a painted backdrop.

This book will fill in the gaps. You will learn not only the price of a sword in gold. You will understand **why** it costs so much, and how events in a neighboring town affect it.

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Why you need this book

For Worldbuilders: tools for developing currencies and trade routes. By following this book chapter by chapter, you will be able to create a logical system of institutions, create your own currencies and make your kingdoms consistent and unique.

For Writers: techniques for describing everyday life in vivid detail. Express the lore and foundations of your world through dialogue, subtle details and believable surroundings.

For Game Masters: tables and ready-made structures, prepared NPCs and descriptions, details of medieval economics, and many more. I'm a rather fanatical GM myself, and everything I created and found useful through years of hosting games is here.

For Players: a foundation for playing merchants and nobles. Give your characters all the tools to influence the world by intellectual, not brute force, power.

How this book works

This book was built from my personal notes as the first edition, and massively expanded for the second one. I tried to put years of my expertise into something you can use right away.

- Frameworks and guidelines instead of watery prose.
- Modular structure: start reading from any chapter.
- Craft moves, examples, and table experience over heavy theory.

One Thing at a Time

I wrote this book with one core idea: pick just one right thing, and use it as leverage. A change of one price may change the whole market, one good may describe the city, and one smell will determine the market in all its glory.

This design emerged from the reality of our own limitations: probably nobody (including me) can hold a whole economy just in their head. We are not supercomputers. So taking one thing, but taking it seriously, is a strong method to make actual changes, and your audience will build the sophisticated and wondrous world on their own, from your subtle but conscious hint.

WHAT THE HISTORY IN THIS BOOK IS FOR

The historical backbone of this book was added to give you an understanding of the basics of medieval economics, to help you describe the scene, and to present a merchant your players will believe and a world that holds together while people play in it. But it is not historical research in essence. We are talking about fantasy economics, mostly. It is important to mention that I am an economist by education and a game master, but I am not a historian.

The separation between a research-based statement and a story or gaming simplification is simple: a small note you may see at the bottom of the page, with the full list in Appendix A. If you don't see it, treat the passage as my own judgment or speculation.

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Special mentions

This book would be impossible without our “Goldsand Tavern” playtest team, especially Dmytro “Fox” Martinovchenko, Natalie Suprunova, Alice Glushko and Sofia Tsoy, and by the comprehensive editing of Nanya, Neil Hays and Anastasia K.

How to use it

If you are looking for a worldbuilding guide or just want to dive into the theory, the first part was made just for you. Here, I focused on theory, frameworks, and rules that would help you build your fantasy economy. Some of these worked perfectly at my table, some were advised by fellow GMs, and some are university economic theory simplified for the table usage.

The second part is practical, how to describe a market, a slice of life of the merchant named Gregory, guidelines on how to write a character or scene, and a guide on trading campaigns.

If you are using the web version, the contents pages are clickable, find what you are interested in and get your answers.

Over years of running games I collected a lot of small methods and highly modular frameworks. I needed them because a method I cannot pick up in the middle of a session is useless to me. The book is modular for the same reason. These are the methods that survived in my notes.

Why Economics Matters

A crafted and consistent economy transforms numbers into plot, into a beautiful system of intersections, which is going to make your story shine.

SCENARIO I

A player buys a sword. The GM says: “That'll be 15 gold.” The reasoning? Well, that's what the rules say.

SCENARIO II

The same player is looking for a sword in a mountain town. There's plenty of iron and skilled blacksmiths there. The blacksmith replies: “Take it for 12 coins. We've got plenty of ore around here.”

The second option immediately reveals the region's unique characteristics. No lengthy explanations needed.

ON SHOWING, NOT TELLING

Details replace tedious descriptions. A merchant grumbles that dragon scales went down in price, but steel is closer to a shortage? That's a clear hint that you probably need a fire-resistant potion and a “Killing a Dragon for Dummies” book, creating an adventure-hook.

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CREATING CONFLICT & OPPORTUNITY

Money is often the reason for wars. And fantasy is no exception. Disputes over resources and poverty drive the plots of stories.

Imagine a city where the water is poisoned and is now brought in from outside. Greedy merchants and desperate thieves appear immediately. Or imagine dwarf clans fighting for centuries over a vein of mithril they cannot live without.

The economy provides a chance to do more than just swing a sword. You can use the resources to corner someone instead of fighting them head-on.

LOGICAL CONSISTENCY

Your healing potions cost 50 gold, while swords cost only 15? Players will then question why healers aren't ruling this world yet. A logical system avoids such situations and draws a clear picture. A trading port town will visibly look wealthy. At the same time, a village in the middle of nowhere is barely surviving through barter and it should show in your description and gameplay.

Common Pitfalls

Here is just a reference of common problems, throughout the book we'll get to discuss each of those, so treat it as abstract of the problem.

THE UNCHANGING PRICE LIST

Game Masters often use a universal price list for their entire world. I claim that it's a huge mistake. In real life prices rarely hold still, they depend on many things: demand, location, and season. Even where a town fixed the price of bread by law, as English towns did, the loaf simply got *smaller* in a bad year. A single set price list makes the economy dull and unrealistic.

SOLUTION — Introduce adjustments based on region and season. A bad drought usually drives food prices up. And where wood is plentiful, timber is cheap, though a cart still costs whatever the wheelwright and the ironwork cost.

MAGIC WITHOUT ECONOMIC IMPACT

Magic is often incorporated into a world without fully considering the consequences. If a spell creates food, then why do we need farming? If healing exists, how does medicine work? Teleports may kill the caravan trade altogether, if they are cheap and available.

SOLUTION — Consider the impact of each school of magic. Why haven't wizards changed everything beyond recognition yet? Perhaps there aren't enough of them. Or the spell ingredients are too expensive.

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THE ADVENTURER PROBLEM

Fantasy has a problem, the "hero syndrome." A group of armed people brings mountains of gold to tiny villages. A single ruins raid can exceed the annual budget of the entire village.

SOLUTION — Make your local economies adapt. Merchants now charge adventurers more.

BUYER TYPE	MARKUP PERCENT	TYPICAL MARK
Local Citizen	—	recognizes merchant by name
Evident Traveler	+10-20%	dusty boots, foreign accent
Well-Armed Adventurer	+30-50%	exotic blade, magic cloak
Notable Hero	+100%	has a well--known name

Personally, I suggest these methods:

- **Limit inventory, not price.** The supply has limitations. Blacksmiths have 3 swords. They will never give you twelve no matter how much you beg them.
- **Make wealth visible and dangerous.** Being rich is a risk in itself. There are rumors of gold--seeking bandits around the country. Your lord might "ask" for money to be put into the treasury. Remember that gold attracts people who want a share of it.

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IGNORING THE LABOR ECONOMY

Authors often go on to describe goods, yet almost forget about services. Even though the **cost of labor** sits underneath most prices.

SOLUTION — Think of salaries for different professions. Compare the risks faced by a war mercenary with those of a common adventurer. Think about apprentices and journeymen. How do they affect the labor market?

When the Party Gets Rich

The markup table I mentioned on the previous page may work for low-level parties: a merchant sees an armed adventurer and raises the price. But at some point your party comes back from a dungeon, a lich's tomb, or a short invasion of another plane, carrying more gold than the village earns in a decade all together.

Just raising prices does not work well here. If your warrior holds ten thousand gold pieces, he can buy the blacksmith's whole stock and keep him busy for the next five years, and the village still floods. So supply here is categorically more important than price.

You can use the table below. The numbers there are a very general approximation, but they may help with an archetypal small Swords and Magic village. The trick is that a thinly populated settlement may badly want to sell you a hundred cloaks, but... they don't have them. These numbers, like a lot of the tables here, work best for OSR; adapt to non-d20 systems as needed.

WHAT A PLACE CAN ABSORB

SETTLEMENT	COIN IT TAKES IN A WEEK	WHAT RUNS OUT FIRST
Hamlet, under 100	50 silver	food, alcohol, nerves
Village, 100 to 1,000	300 silver	created goods, like swords and coats
Town, 1,000 to 5,000	2,000 silver	quality creations
City, 5,000 and up	most of it	magical items

After supply, look at where the characters can spend money on something other than new gear. Land, a title, a share in a bakery, paying to repair the temple roof, which may make the party the village's new saviors. We'll discuss it more on the next page.

The last point is my favorite: make the money visible. If your group spends a giant amount in that village, everyone there has already told everyone they know about the visit. The steward may ask for a contribution and offer something in return, local bandits will start following the party, and the innkeeper redraws the price on his chalkboard the moment he sees the barbarian's silhouette. People notice them. Just remember to scale it: even a dragon-slayer can go unnoticed in a big capital.

While it may make things harder, it is not any sort of punishment. The world starts to notice your characters, interact with them, and most importantly *change* under their actions.

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The "Million Gold Pieces" Problem

Many games are filled with treasure hoards equal to several times the yearly taxes of kings. If dragons really held that much wealth, hauling it home would collapse the economy that was supposed to make it feel valuable. Here is how I keep it under control.

Imagine your world economy as some sort of bathtub. In this scenario the faucet fills it with coins, while the sink drains it out. To make prices stable, you need to balance in and out, and that dragon hoard is a broken dam in this scenario.

So there are two ways. No hoards (only normal faucets), or create a sink of equivalent size. A good sink is one that is "suited" for the large sums. A village smith is a bad example. A royal cloth designer, or a noble title on sale (straightforward or by corruption), is a good one.

Now the faucets. Mines and mints give the steady flow, don't worry about them. Hoards, war treasures and finds from other planes are the ones that require planning. An especially dangerous case is creation or duplication magic: it's a faucet with a bottomless water source, and should be treated with all caution.

Plan how the money can be spent before creating a reward for your players. If you have sinks for around half of it, you are alright. If they can spend all the money on something wonderful in one city, it's perfect.

GOLD SINKS THAT PLAYERS ACCEPT

SINK	TYPICAL DRAIN
Property, land, and building	Hundreds to thousands
Titles, licenses, guild seats	Hundreds
Ship shares and caravan stakes	Hundreds, at risk
Temple donation with real favor	Any amount, gladly
Taxes, tariffs, and fines	Ten to thirty percent
Ransoms, dowries, blood-prices	Set by station
Reagents burned by spellwork	A steady trickle

If not, I suggest shrinking the aforementioned hoard. Most players will not mind if they feel this is the way the world works. What matters is *relative* wealth, not absolute gold sums. If the players are rich compared to the citizens, they are usually happy, and the number is not important.

Designing a hoard based on what kind of creature left it is another step in world design. An ancient red dragon who hoards a thousand books and one squatting on a mountain of unspent gold are completely different creatures, and players tend to treat them differently.

If the flood happened, don't worry, just let the prices rise, in a hard way. Wool costs double, swords cost triple, people are angry. Play it a few times and the table will quickly recognize the pattern. This scenario may create "new rich people" and destroy the wellbeing of others, up to starvation, and everyone will know who is responsible.

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