



A CAREER IN PRO BEAUTY

COMPENSATION STUDY:
DATA & INSIGHTS



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EXECUTIVE SUMMARY

The Pro Beauty Compensation Study (Study) is a workforce-related market research project that aims to provide accurate and verifiable data about compensation in the professional beauty industry. Our research sought to answer the question:

WHAT DOES COMPENSATION LOOK LIKE FOR A CAREER IN PROFESSIONAL BEAUTY?

What started as a grassroots Study to equip salon owners with data to communicate earnings to their staff has become an unprecedented, industry-wide data collaboration. The findings from Phase 2 of the Pro Beauty Compensation Study represent salon compensation from 330 employee-based, full-service salon locations. These are independently owned, community-based, small businesses with 1-10 locations. These businesses are located in 36 different states, use a variety of compensation structures, have varying price points, carry 149 different product brands, and represent 3,391 W2s from individual cosmetology professionals who work in these businesses.

We chose to address the segment of the workforce wherein we could access the most standardized and verifiable data: W2 data provided to the IRS. By analyzing standardized and verifiable data and other pertinent employment information from a wide range of businesses, the Study provides an additional point of reference, beyond the information currently available by government agencies, public interest groups, and other sources.

Our aim is to publish actionable data to answer the question of what compensation looks like for a career in professional beauty so that we can empower current and future members of the workforce to make great career decisions based on fact, not fiction.

Our findings showcase the economic prosperity, quality of life, scheduling flexibility, and passion made possible by a career in professional beauty. We were thrilled with the results of Phase 2 and we look forward to adding even more data points in Phase 3.

EXECUTIVE SUMMARY

In this report, we showcase findings across 8 key career factors that tell a more complete story of compensation for a career in professional beauty. Key findings from the Study include:

EARNINGS

A career in beauty offers a lucrative career with no glass ceiling or limit on earnings potential: The average cosmetologist in this Study made \$54,307/year with an hourly rate of \$38.37. If adjusted to a 40-hour workweek, annual earnings from this Study would be \$79,807. We found that 24% of Study participants made over \$100k/year if adjusted to a 40-hour workweek.

FLEXIBILITY

This career offers great flexibility, especially for those who want to travel, continue their education, raise a family, care for a loved one, and more: 99% of employers in this Study offer scheduling flexibility and 94% of companies have opportunities to work more hours.

BENEFITS

Most salons in the Study offer competitive and comprehensive benefits: 96% of businesses surveyed offer benefits to employees and 93% of employers contribute to the cost of these benefits.

TRAINING

Employers in the professional beauty industry provide on-the-job training as well as ongoing technical and business education: Over 90% in this Study offer a new hire training program and 83% contribute to the cost of outside education.

INCLUSION

Cosmetology is a diverse and inclusive career path that provides jobs, opportunities for entrepreneurship, and the ability to earn high wages for people of all genders, races, ages, and backgrounds: 85% of participating businesses in this Study have female ownership.

POSSIBILITIES

Cosmetology creates an accessible career path to entrepreneurship, creating jobs for future professionals: 76% of business owners surveyed are cosmetology school graduates and 74% of businesses owners started their own businesses. Additionally, there are many career possibilities for a cosmetologist outside of being a service provider.

ROI

Cosmetology school is a comparatively low-cost investment for education that provides great prospects for finding a job with a short path to earnings: Student loan payback for the average cosmetology graduate is estimated between 3.9-6.2 years.

PASSION

Cosmetology is an outlet for professionals with a penchant for self-expression, creativity, and art: It is a high-impact career that offers professionals an incredible opportunity to change the lives of those they touch.

PRO BEAUTY COMPENSATION STUDY

WHAT DOES COMPENSATION LOOK LIKE FOR A CAREER IN PROFESSIONAL BEAUTY?

A QNITY
INFOGRAPHIC
9GRID™

EARNINGS*

AVG. HOURLY RATE	AVG. W2
\$38.37	\$54,307

\$100K

24% earned over \$48.08/hr, the amt necessary to earn \$100k+/yr if adjusted to a 40 hr work week.

ADJUSTED
AVG W2

\$79,807

Calculated by multiplying the hourly mean wage by a 'year-round, full-time' hrs figure of 2,080 hrs.

* Data from 3,391 2021 W2's

FLEXIBILITY

27.8

AVERAGE HOURS
WORKED PER WEEK

99%

OFFER
SCHEDULING
FLEXIBILITY

BENEFITS

96%

OFFER BENEFITS TO EMPLOYEES

PTO	75%
HEALTH INSURANCE	53%
DENTAL INSURANCE	51%
VISION INSURANCE	46%
DISABILITY INSURANCE	44%
PAID SICK TIME	39%
401(K) W/CO. MATCH	39%

TRAINING

90%

OFFER
NEW HIRE
TRAINING
PROGRAMS
& ONGOING
EDUCATION

89%

CONTRIBUTE
TO THE COST
OF ADVANCED
EDUCATION

**8 KEY
FACTORS**

Pro Beauty
Compensation Study
Data & Insights



85%

PARTICIPATING
BUSINESSES HAVE
FEMALE OWNERSHIP

INCLUSION

WOMEN
NATIVE AMERICAN
LGBTQIA+
LATINA
MONITOR
ASIAN
AMERICAN
PACIFIC
ISLANDER
BLACK

POSSIBILITIES

94%

BUSINESSES
ARE HIRING

74%

STARTED THEIR
OWN BUSINESS

76%

OWNERS ARE
COSMO GRADS

30

CAREER
OPTIONS FOR
LICENSED
COSMOTOLOGISTS*

→ SALON OWNER
COLOR SPECIALIST
UPDO
ESTHETICS
NAILS
BLOWOUT BAR
MEN'S BARBER
SENIOR HAIR CARE
KIDS CUTS
LASH OR BROW SPECIALIST
EXTENSIONS
FASHION WEEK
BLOGGER/INFLUENCER
HOTEL/CRUISE SHIP STYLIST
EDITORIAL
MAKEUP
CELEBRITY
COSMOTOLOGY INSTRUCTOR
TRICHOLOGIST
BRIDAL
CURLY HAIR
SALON MANAGER
DISTRIBUTOR SALES
CREATIVE DIRECTOR
SALON EDUCATION
BRAND EDUCATOR
FILM AND TV
THEATER
MANUFACTURER/PRODUCT
TEST-SALON

* Modern Salon Magazine 9/22/2021

ROI*

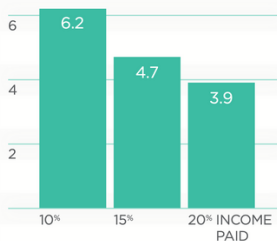
**SHORT PATH TO
HIGH EARNINGS**

with significantly less student loan
debt than 4-year college degrees

**4-6 YEAR
STUDENT LOAN
PAYBACK**

TIME TO PAY BACK LOANS

8 YEARS



* Based on assumptions outlined in the full report.

PASSION

WHAT IS THE ONE THING
YOU WISH THE WORLD
KNEW ABOUT A CAREER
IN PRO BEAUTY?

**NO GLASS
CEILING**

**RECESSION
PROOF**

**UNLIMITED
EARNINGS POTENTIAL**

**WE ENRICH THE LIVES
OF EVERY CLIENT
WE TOUCH**

This Study was designed as a long term effort to provide greater clarity on compensation in professional beauty and should not be viewed as the only point of reference. It is considered market research, and the findings and data points are subject to evolve as we expand outreach and add additional segments to our data collection process. The Study data does not imply a promise or guarantee of wages or benefits. Refer to full disclosures and disclaimers in the report.

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FINDINGS

The following section provides data and insights from the Study, distilling it to 8 career factors. While the focal point of this section is on earnings, we point out that compensation is much more than just a paycheck.



EARNINGS



FLEXIBILITY



BENEFITS



TRAINING



INCLUSION



POSSIBILITIES



ROI



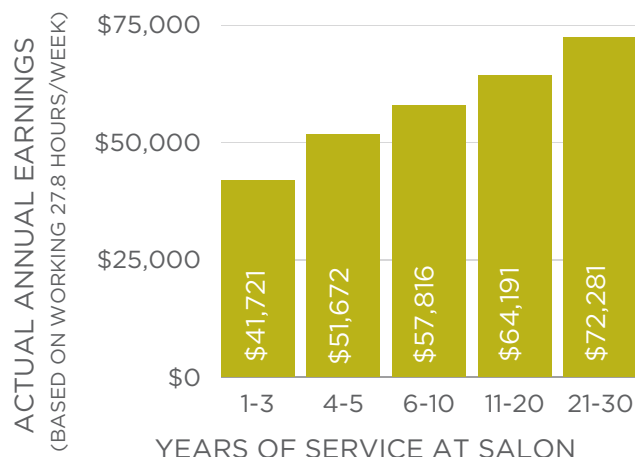
PASSION



EARNINGS

At its core, this was a wage Study based on verifiable W2s. The Study Team analyzed 2021 W2 compensation data from 3,391 licensed service providers. We found mean W2 earnings of \$54,307 and median annual earnings of \$49,637 (note that service providers in this Study worked an average of 27.8 hours/week).

W2 EARNINGS BY YEARS OF SERVICE AT SALON



AVERAGE W2 EARNINGS

\$54,307

FOR COSMETOLOGISTS
WORKING AN
AVERAGE OF 27.8
HOURS/WEEK

ANNUALIZED EARNINGS DATA

To remain consistent with the U.S. Bureau of Labor Statistics (BLS), which states that "annual wages have been calculated by multiplying the hourly mean wage by a 'year-round, full-time' hours figure of 2,080 hours," we have provided an adjusted or annualized set of earnings data throughout this section.* While many service providers choose to work fewer than 40 hours/week, this provides an additional point of reference for a career professional who may choose to work 40+ hours/week.

BLS AVERAGE ANNUALIZED EARNINGS

\$35,990

vs

THE STUDY AVERAGE ANNUALIZED EARNINGS

\$79,807

ANNUALIZED EARNINGS BY YEARS OF SERVICE (ADJUSTED TO A 40-HOUR WORKWEEK)



*U.S. Bureau of Labor Statistics, 2022, [Occupational Employment and Wages, May 2021 \(39-5012 Hairdressers, Hairstylists, and Cosmetologists\)](#)



HOURLY RATE DATA

We calculated the hourly rate of a service provider based on the number of hours worked in 2021, regardless of pay structure. Conversion to an hourly rate is necessary to provide a proper comparison to other findings across the U.S. economy and to tell the full story around earnings. A flaw of other studies is that most do not address wages AND hours worked. We found a mean hourly rate of \$38.37 and a median hourly rate of \$34.80.

**BLS AVERAGE
HOURLY RATE***
\$17.30

VS

**THE STUDY AVERAGE
HOURLY RATE**
\$38.37



INSIGHT: A primary point of reference on earnings for the professional beauty industry is provided by the U.S. Bureau of Labor Statistics (BLS), which relies only on qualitative information.** It fails to adequately account for the fragmented nature of the industry, including the extreme flexibility in work hours, forms of doing business, and the high percentage of part-time solo practitioners operating out of their homes, booth rental salon, or suite.

HAIR DEPARTMENT HIGHLIGHT

One of four department choices were available for each employee in the Study: hair, massage, esthetics, or nails. 84% of Study participants work primarily in the hair department. When we segmented out the earnings data by department, we found even higher earnings data for hair stylists than the averages reported for all departments. We chose not to segment out the other departments represented in this Study (nails, massage, and esthetics) because our sample sizes for those groups were not large enough to be representative.

HAIR DEPARTMENT EARNINGS	
Average Hourly Wage	\$39.60
Median Hourly Wage	\$35.74
Average W2 (actual)	\$56,591
Average Annualized Income (if adjusted to a 40-hour workweek)	\$82,361



INSIGHT: In the Study, a finding was that those in the hair department had higher earnings than the other departments. We have reason to believe that earnings for the esthetics and massage departments would be higher if our target had been day spas. We look forward to researching additional segments of the professional beauty workforce, including day spas, in the future.

*U.S. Bureau of Labor Statistics, 2022, [Occupational Employment and Wages, May 2021 \(39-5012 Hairdressers, Hairstylists, and Cosmetologists\)](#)

**The U.S. Bureau of Labor Statistics collects information via surveys, phone calls, and letters to establish earnings data.



A PATH TO SIX FIGURE EARNINGS

24% of service providers in the Study earned over \$48.08 per hour, the amount necessary to earn \$100,000 or more per year, if adjusted to a 40-hour work week. 7% of cosmetologists in the Study reported actual W2 earnings of over \$100,000, with some working as few as 17 hours/week and some working as many as 50 hours/week. 37 individuals in the Study earned over \$150,000 per year. The highest wage earner in the Study earned \$327,453. The highest hourly rate reported in the Study was \$162.69/hour.

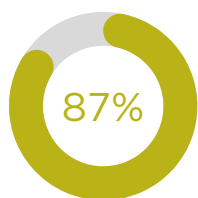
A review of the geography revealed that there was NOT a concentration of salons in areas with a high cost of living. Of the top 8 earners in the Study, only 1 came from a city in the top 10, from a cost of living standpoint.



INSIGHT: Steady growth based on length of service and years in the industry demonstrates that a six figure income is possible for those who wish to achieve it. Most service providers are largely in control of their earnings possibilities. If cosmetologists want to make more money, most can do so by increasing the number of hours they work, amount they charge for services, number of clients they see, and/or average ticket. Despite this degree of control, many never reach their true earnings potential.

TIP INFORMATION

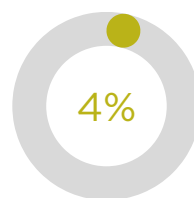
According to the IRS, tips should be included on the W2.* Given that our findings are based on W2 data, the reader should assume that earnings figures include tips. Our survey data indicated that employers who participated in this Study have a high rate of tip compliance.



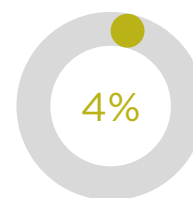
reported that tips are included on the W2 for **all** employees



reported that tips are included on the W2 for **some** employees



reported that tips are included on the W2 for **no** employees



do not allow their employees to accept any tips

WHAT IF TIPS ARE UNDERREPORTED?

We did NOT make any adjustments for unreported tips or potentially underreported income when reporting compensation findings from the Study. One source attempted to develop an estimate of underreporting of tipped income suggested that earnings data is typically underreported by 8%-10%.** Using the more conservative number of 8%, if we were to make an adjustment, the earnings data for cosmetologists in the Study would look like this:

\$41.44

PER HOUR

\$58,652

PER YEAR - ACTUAL

\$86,192

PER YEAR - ANNUALIZED



INSIGHT: In our data collection, we simply had employers input W2 earnings, which by law, should include tip income. This was not a tip audit. Developing our own measurement of unreported tip income was beyond the scope of the Study.

*IRS, 2022, [Tip Recordkeeping and Reporting](#)

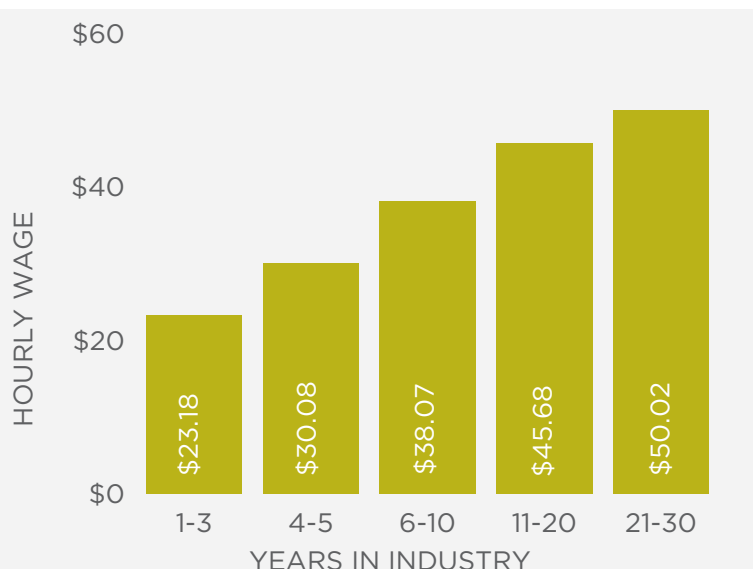
***Stephanie Riegg Cellini and Kathryn J. Blanchard, 2022, [Hair and Taxes](#)



EARNINGS BY YEARS IN THE INDUSTRY

AVERAGE HOURLY WAGE BY YEARS IN INDUSTRY

We found that earnings continue to grow as the number of years a service provider works in the industry increases.



EARNINGS AFTER 2-3 YEARS IN THE INDUSTRY

A particularly staggering finding from our research was an earnings figure reported by The Century Foundation using data from the U.S. Department of Education (DOE). They stated that "three years after completing their program, the average cosmetologist earns only \$16,600 a year."* We lack confidence in this number for two reasons: First, the DOE states that they "cannot fully confirm the completeness" of the data.** Second, this analysis left us with questions about how many hours the cosmetologists earning \$16,600 worked. Our data analysis revealed that those who have been working in the industry for 2-3 years were making \$33,950 actual annual earnings, while working an average of 27.8 hours/week.

\$16,600

U.S. DOE MEDIAN ANNUAL
EARNINGS DATA (AS ANALYZED BY
THE CENTURY FOUNDATION)

VS

\$33,950

THE STUDY AVERAGE
ACTUAL ANNUAL
EARNINGS DATA

WHEN WE ADJUST THIS FIGURE TO A 40-HOUR WORKWEEK, THOSE WHO WERE WORKING 2-3 YEARS IN THE INDUSTRY WOULD BE MAKING \$52,802.



INSIGHT:

COMPENSATION IS MUCH MORE THAN JUST A PAYCHECK

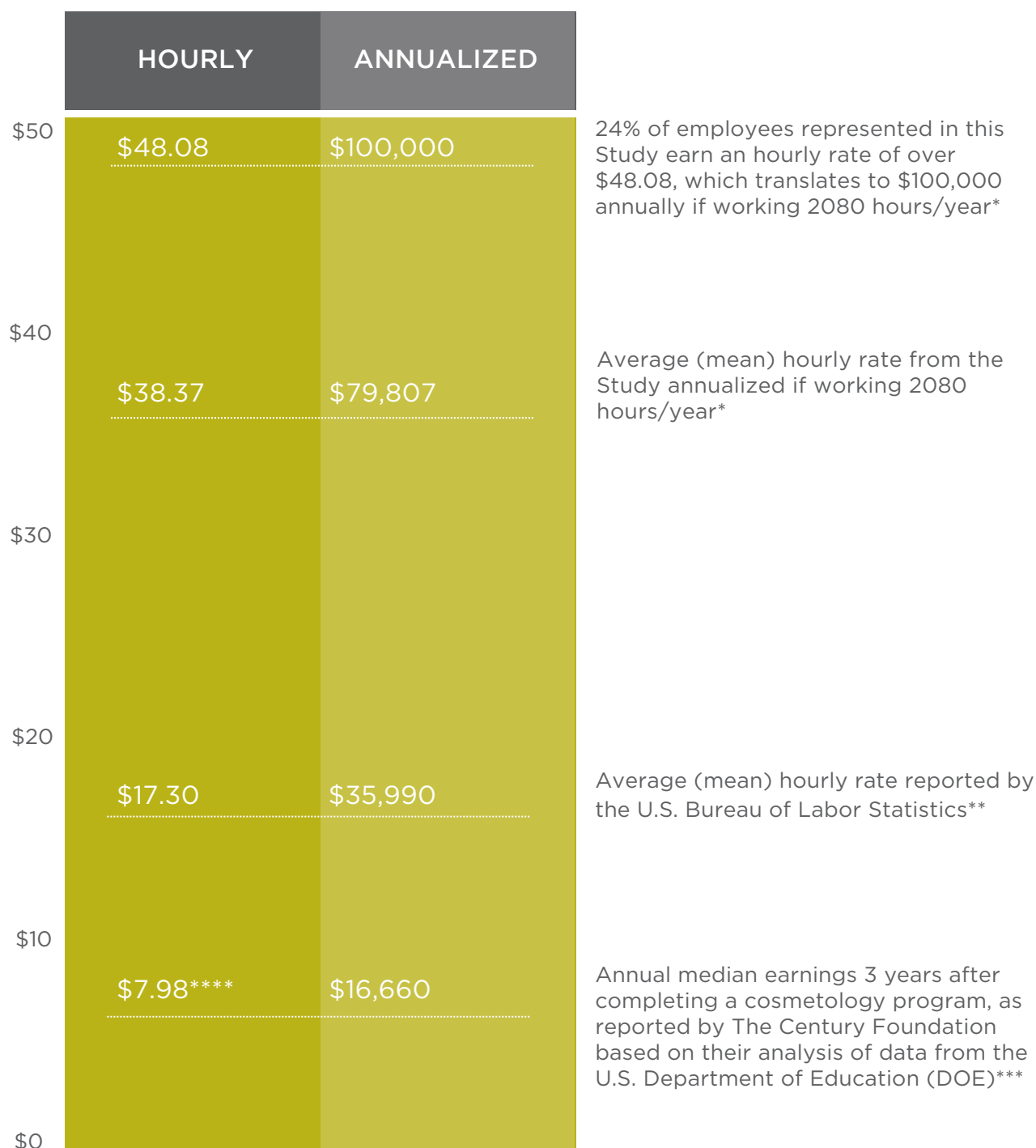
In addition to earnings, career factors like flexibility, benefits, training, inclusion, possibilities, ROI (return on investment), and passion are all necessary to tell the full story of compensation in a career in professional beauty.

*Carolyn Fast, Peter Granville, and Tiara Moultrie, The Century Foundation, 2022, [Cosmetology Training Needs a Makeover](#)

**U.S. Department of Education College Scorecard, 2022, [Glossary](#)



EARNINGS SUMMARY



*Qnity Professional Beauty Compensation Study

**U.S. Bureau of Labor Statistics, 2022, [Occupational Employment and Wages, May 2021 \(39-5012 Hairdressers, Hairstylists, and Cosmetologists\)](#)

***U.S. Department of Education College Scorecard, 2022, <https://collegescorecard.ed.gov/data/>

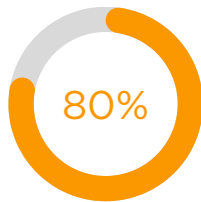
****U.S. Department of Education did not publish this hourly rate; We inferred it from their annual earnings information based on a 2080 hour working year. Since they did not provide the total number of hours worked, this number may not be correct.



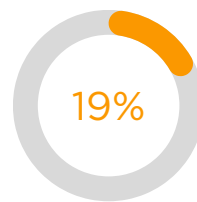
FLEXIBILITY

Cosmetologists can make a great living whether they choose to work part time or full time. There aren't many industries where an employee has as much choice about the number of hours they work. This career path allows professionals not only to choose the number of hours they want to work, but also when they want to work those hours.

We found that the vast majority of companies surveyed offer generous flexibility for scheduling, with 80% offering some schedule flexibility, 19% offering total schedule flexibility, and only 1% offering no schedule flexibility.



OF EMPLOYERS IN THIS STUDY OFFER TOTAL SCHEDULING FLEXIBILITY

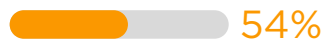


OF EMPLOYERS IN THIS STUDY OFFER SOME SCHEDULING FLEXIBILITY

Schedule flexibility is defined as the ability to choose the hours an employee works within business hours. We looked at data from the Society for Human Resource Management (SHRM), which reports that just 54% of employers across all industries in the U.S. economy offer some schedule flexibility.*



OF EMPLOYERS IN THIS STUDY OFFER SOME OR TOTAL SCHEDULE FLEXIBILITY



OF EMPLOYERS ACROSS ALL OTHER INDUSTRIES IN THE U.S. ECONOMY OFFER SOME SCHEDULE FLEXIBILITY*

A flaw to other points of reference on salon compensation is lack of analysis of hours worked. In our analysis of 3,391 employee W2s and 160 companies surveyed, we found that the average number of hours worked per week by service providers is 27.8.

94% of business surveyed have opportunities for service providers to work more hours. Analysis of the data also revealed that 3.5% of service providers worked 40 or more hours per week.

COMPANIES WITH OPPORTUNITIES TO WORK MORE HOURS

94%

SERVICE PROVIDERS WORKING MORE THAN 40 HOURS PER WEEK

3.5%

INSIGHT: Recent publications have suggested that cosmetologists work "long hours with little time off."** Our findings demonstrate that this is an industry that offers career professionals great flexibility, making it a top career choice for people who enjoy the flexibility of fluctuating hours, have a need to create their own schedules, or choose to work less than 40 hours. The fact that so many choose to work less than full time demonstrates how much career professionals view this as a benefit.



*Society for Human Resource Management (SHRM), 2017, [SHRM Customized Employee Benefits Prevalence Benchmarking Report](#)

**Mindy Menjou, Michael Bednarczuk, Ph.D., and Amy Hunter, Institute for Justice, 2021, [Beauty School Debt and Drop-Outs](#)



BENEFITS

Another perception is that many small businesses within the professional beauty industry do not offer benefits. We found the opposite to be true, with 96% of employers offering benefits and 93% of employers contributing to the cost of these benefits. 89% of the businesses that participated in this Study have 1-3 locations and employ an average of 12 people.

96%

OF BUSINESSES SURVEYED OFFER
BENEFITS TO EMPLOYEES

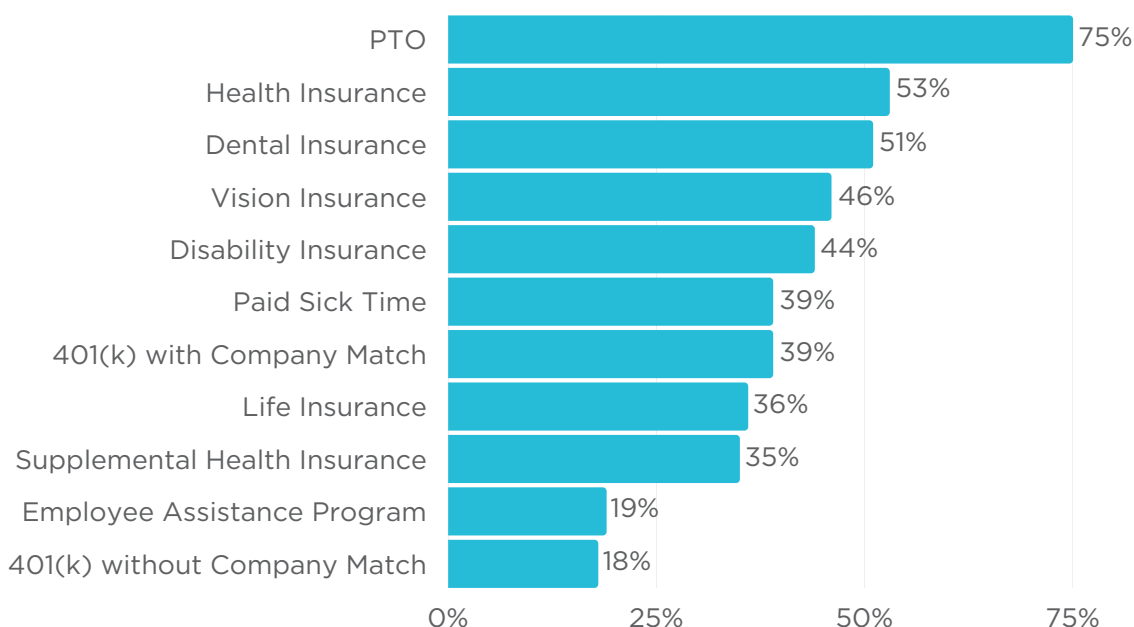
93%

OF EMPLOYERS CONTRIBUTE TO
THE COST OF THESE BENEFITS

In addition, there are government mandated benefits that are paid by employers on behalf of employees including: retirement savings (Social Security), retirement health care (Medicare), unemployment insurance in case of job loss, workers compensation insurance in case of accident at work, and liability insurance in case of client related challenges.

While we did not gather data on it, most employers also provide highly valued perks in the form of employee discounts on services and products, often extending those perks to family and friends. The annual value of these perks can easily be over \$1,000 per employee.

BENEFITS OFFERED TO EMPLOYEES



INSIGHT: Salons allow service providers to focus on their craft and do what they love by providing support such as appointment booking, guest services, marketing, inventory, ordering, management, coaching, mentoring, tax reporting, and other operational support. Taking full advantage of benefits can easily add 20% to total compensation.* 58% of independents noted that lack of benefits, like health insurance and 401K, are a distinct disadvantage to being independent.**

*Qnity estimate based on salon compensation projects with salon companies across the U.S.

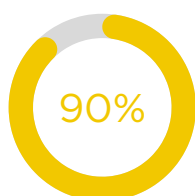
**Modern Salon, 2022, [State of the Industry 2022: The Place of the Independent Salon Pro](#)



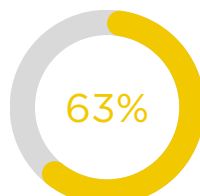
TRAINING

NEW HIRE TRAINING

Our findings show a strong emphasis placed on training new hires. Of the 90% of salons surveyed that offer a new hire training program, 63% of these programs last 6 months or longer, with 13% lasting 9 months, 9% lasting 12 months, and 5% lasting longer than 12 months.



OFFER A NEW
HIRE TRAINING
PROGRAM

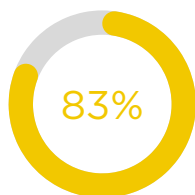


OF NEW HIRE TRAINING
PROGRAMS LAST 6
MONTHS OR LONGER

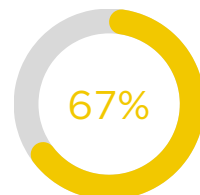
ONGOING EDUCATION

Training, development, and education are high priorities among salon owners. With 90% of businesses offering a new hire training program, 63% of businesses offering a new hire training program that lasts 6 months or longer, and 83% of businesses contributing to the cost of outside education for their staff, the emphasis on technical education and developing technical skills is significant.

This Study shows the industry's strong commitment to education, which is highly motivating to many members of the workforce.



CONTRIBUTE TO
THE COST OF
OUTSIDE
EDUCATION



OFFER
EDUCATION
REIMBURSEMENT
ALLOWANCES

Types of ongoing training commonly offered within the industry include technical skill-based training, trend updates, business building, communication skills, diversity, equity, inclusion, and belonging (DEI-B) training, ergonomics training, and more.

INSIGHT: The Quick Facts for Barbers, Hairstylists, and Cosmetologists data published by the U.S. Bureau of Labor Statistics states "none" in the category of on-the-job training.* This is misleading information and is misleading to those who are looking to make career decisions and enter the professional beauty industry. Additionally, ongoing education is an important part of total compensation, even though it is not normally quantified or reflected on W2 earnings.



*U.S. Bureau of Labor Statistics Occupational Outlook Handbook, 2022, [Barbers, Hairstylists, and Cosmetologists](#).

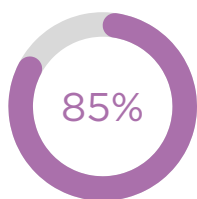


INCLUSION

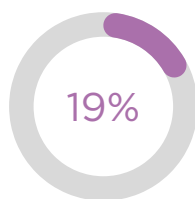
DIVERSITY IN SALON OWNERSHIP

The professional beauty industry has been at the forefront of diversity, equity, inclusion, and belonging (DEI-B) for decades, long before it became a priority within other industries. While professional beauty is certainly not immune to issues related to DEI-B, the segment of the workforce who participated in this Study sets an example for the kind of diversity that is possible when a career path is made accessible.

Our survey of 160 unique businesses revealed a significant amount of diversity in salon ownership. In addition to the majority of these businesses having at least one female owner, there was diversity in a variety of other groups, including representation from the LGBTQIA+, Latino/a, Black, Native American, and AAPI communities. We were especially encouraged to see 85% female ownership and 19% LGBTQIA+ ownership represented in our Study participants.



OF BUSINESSES
SURVEYED HAD AT
LEAST ONE FEMALE
OWNER



OF BUSINESSES
SURVEYED HAD AT
LEAST ONE
LGBTQIA+ OWNER

We can see from this initial sample that this is a diverse and inclusive industry that provides jobs, opportunities for entrepreneurship, and the ability to earn high wages for people of all genders, races, ages, and backgrounds. We recognize that our respondent profile likely skewed towards female ownership, but we are hopeful that this finding proves to be an unbiased representation of the larger professional beauty industry. We look forward to seeing how these demographics expand as we gather more data in future phases of this Study.



IT'S ENCOURAGING TO SEE THIS KIND OF REPRESENTATION AND DIVERSITY IN OWNERSHIP DEMOGRAPHICS IN THE DATA SET. IT REFLECTS THAT THERE IS DIVERSITY WITHIN THE INDUSTRY AND THAT DIVERSITY IS DISAGGREGATED ACROSS LOTS OF IDENTITIES.

JANET WILLIAMS
FOUNDER, CEO, and DEI-B LEAD,
PROGRESSIVE DISCOVERIES
THINK TANK MEMBER



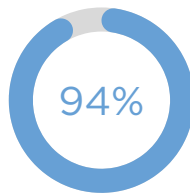
INSIGHT: There is work to be done across all segments of the professional beauty industry to ensure that diversity is centered, advocated for, and protected. Now that we have more information about who owns these small, community-based, local businesses, we can continue to advocate for increased representation and diversity in all segments of the workforce.



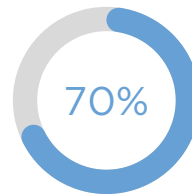
POSSIBILITIES

GROWTH, DEVELOPMENT, CAREER MOBILITY

Career opportunities within the professional beauty industry are projected to grow by 11% from 2021 to 2031 (compared to 5% growth across all other occupations in the US economy), with an anticipated annual average of 93,800 job openings for cosmetologists.* Amidst a pending global recession and at a time when many other industries are experiencing widespread layoffs, the professional beauty industry is a haven for job security. In addition to the tremendous potential for growth, development, and career mobility, the professional beauty industry offers something that can't be outsourced: human connection.



OF BUSINESSES
SURVEYED HAVE
POSITIONS OPEN
FOR SERVICE
PROVIDERS



OF BUSINESSES
SURVEYED HAVE
POSITIONS OPEN
FOR SUPPORT
STAFF

Possibilities for cosmetologists exist within their salon environment and within the industry at large. The following is a list of 30 Career Options for Licensed Cosmetologists, suggesting a wide variety of possibilities for beauty professionals to use their training in the way that best reflects their passion.** Of course, there are many possibilities beyond this list.

Salon Owner | Color Specialist | Updo Specialist | Esthetics | Nails | Blowout Bar Stylist | Men's Barber | Senior Hair Care | Kids Cuts | Lash or Brow Specialist | Extension Expert | Fashion Week Stylist | Beauty Blogger/Influencer | Hotel or Cruise Ship Stylist | Editorial Hairstylist | Makeup Artist | Celebrity Hairstylist | Cosmetology School Instructor | Trichologist | Bridal Specialist | Curly Hair Specialist | Salon Manager | Distributor | Sales Consultant | Creative Director | Salon Education Director | Brand Educator | Film and TV Stylist | Theater Stylist Manufacturer/Product Inventor | Test-Salon Stylist

ENTREPRENEURSHIP

An additional opportunity for enormous career potential within this industry is entrepreneurship. In our analysis of 160 business owners who completed the survey portion of our Study, we found that 76% of business owners surveyed are cosmetology school graduates and 74% of business owners surveyed founded their businesses. 26% of businesses owners purchased their business from a previous owner, suggesting that these businesses are likely to survive more than a single generation

This suggests that in addition to building a career as a cosmetologist, graduates of cosmetology school often own and operate small businesses, providing jobs for the next generation of cosmetologists and bringing massive value to the communities they serve.

Of course, entrepreneurship is not the right career path for everyone, but we were inspired to see the ways in which creative professionals who choose entrepreneurship can thrive within this industry.

INSIGHT: Not only are an abundance of job opportunities available within the professional beauty industry, there are possibilities open for nearly every type of professional. This limitless potential and mobility makes the professional beauty industry a great choice for those who aren't exactly sure what they want their career to look like.



*US Bureau of Labor Statistics Occupational Outlook Handbook, 2022, [Barbers, Hairstylists, and Cosmetologists](#)

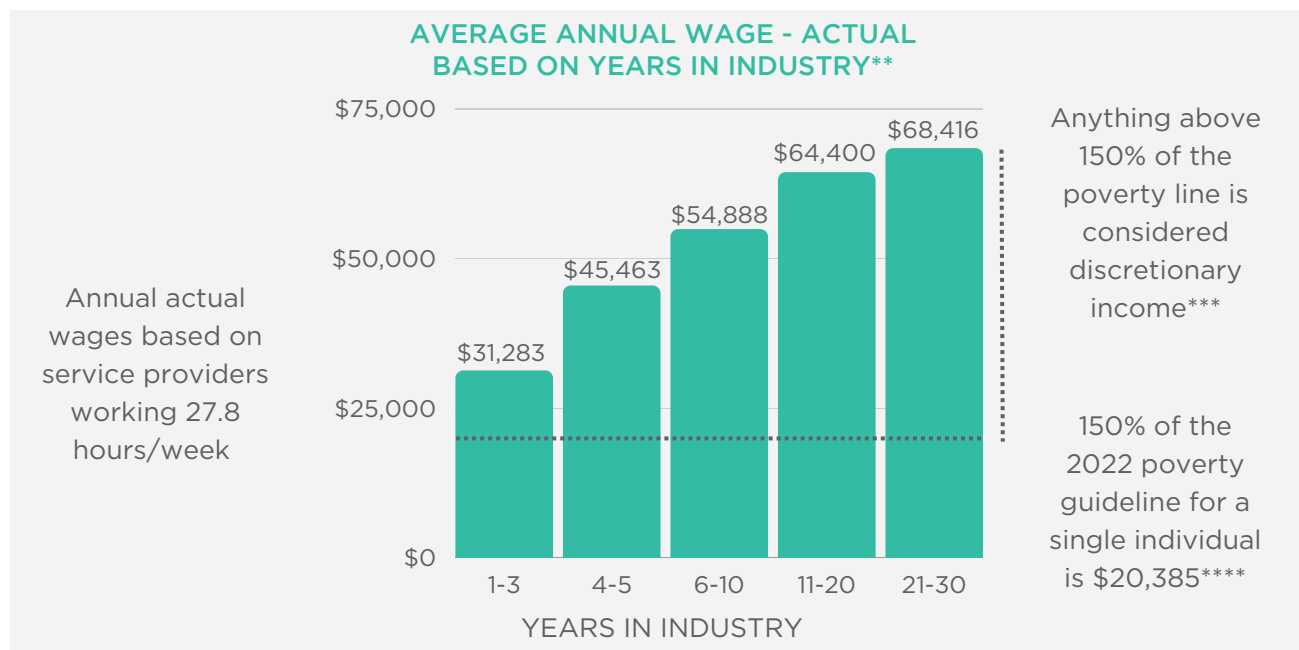
**Jackie Summers, Modern Salon, 2021, [30 Career Options for Licensed Cosmetologists](#)



ROI

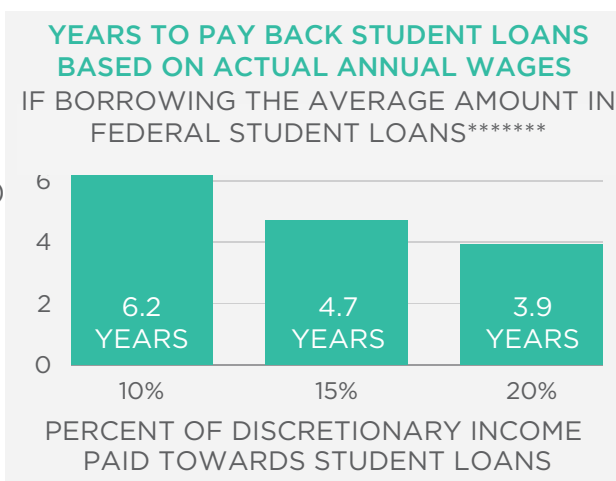
SHORT PATH TO EARNINGS

Proponents of gainful employment have claimed that cosmetologists' income is so low that graduates cannot repay their student loans, leading to high default rates. We wanted to establish another point of reference using our findings on compensation. Using average earnings for each year of experience in the industry, we calculated discretionary income for each year starting at the beginning of a cosmetologist's career.*



STUDENT LOAN REPAYMENT PERIOD

We wanted to find out how long it would take cosmetology graduates to pay back their student loans based on the U.S. Department of Education's income-driven repayment plan (IBR) guidelines of 10%, 15%, or 20% of an individual's discretionary income.***** The average amount of federal student loan debt borrowed to attend cosmetology school is \$8,936.***** We found that the average amount of time it takes for cosmetology students to pay back their student loans is 4-6 years.



*Discretionary income is defined as "the difference between your annual income and 150% of the poverty guideline for your family size and state of residence." Federal Student Aid, [Discretionary Income](#)

**The Study analyzed W2 data from 2021. To create this graph, we used poverty guideline data from 2022. The poverty guideline for a single individual in 2021 was \$12,880. 150% of the 2021 poverty guideline is \$19,320. The reader can infer that if we had used 2021 poverty guideline data, the amount of discretionary income would have been higher than what is shown in this graph.

***For a single individual living in the 48 contiguous United States and the District of Columbia, the poverty guideline for 2022 was \$13,590. This number increases as the number of persons in a family or household increase; this graph assumes discretionary income for a single individual.

****Office of the Assistant Secretary for Planning and Evaluation (ASPE), 2022, [HHS Poverty Guidelines for 2022](#)

*****Federal Student Aid, [Income-Driven Repayment Plans](#)

*****AACS, 2022, [American Beauty Schools Educating a Workforce for Tomorrow](#)

*****This graph makes the following assumptions:

- The student borrows the average amount of federal student loan debt to attend cosmetology school.
- The federal student loans accrue interest at a rate of 6%. We did not take into consideration any federal student loan forgiveness or pauses to repayment terms.
- The graduate enrolls in an income-driven repayment plan, which requires them to pay back their loans at a rate of 10%, 15%, or 20% of their discretionary income.



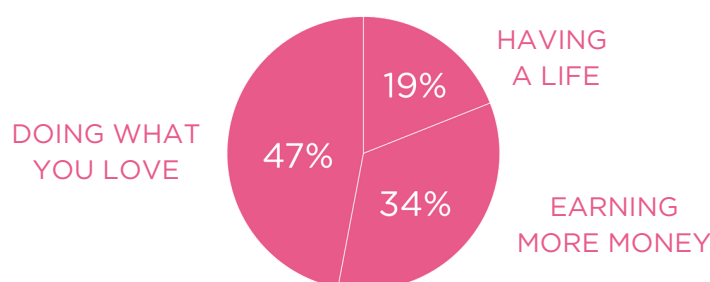
PASSION

AN IMPACTFUL CAREER

This work started because we saw an opportunity to make a positive impact on the lives of service providers, business owners, and the entire professional beauty industry. It continued because of the passionate people who make up the professional beauty workforce who want the rest of the world to know what we know: That this is a career where you can make great money, do what you love, and have a great quality of life.

In workplace surveys issued over the last 12 years, Qnity has asked thousands of licensed cosmetologists this question:

**AT THIS POINT IN YOUR LIFE AND CAREER, WHICH IS MOST IMPORTANT TO YOU:
HAVING A LIFE, EARNING MORE MONEY, OR DOING WHAT YOU LOVE?***



INSIGHT: If the narrative about professional beauty being a "notoriously low paying" industry were true, we would have expected that a higher percentage of those surveyed would indicate earning more money was most important to them. This is not indicative of a career with "poverty-level earnings."

While 34% is a significant number, it could be true for any of us that we would like to earn more money regardless of our actual current earnings.

COMMENTS FROM STUDY PARTICIPANTS

At the end of our survey, we asked respondents this question:

WHAT IS ONE THING YOU WISH THE WORLD KNEW ABOUT THE PROFESSIONAL BEAUTY INDUSTRY?

"THE INDUSTRY PROVIDES GREAT FINANCIAL PROSPERITY."

**"UNLIMITED EARNING
POTENTIAL."**

"WE TRULY LOVE WHAT WE DO."

**"IT'S A RECESSION-
PROOF BUSINESS."**

**"THIS INDUSTRY HAS SO MANY
AVENUES TO BE SUCCESSFUL."**

**"YOU CAN MAKE A
FANTASTIC LIVING WITH
GREAT FLEXIBILITY!"**

**"THIS IS A VERY INCLUSIVE AND WELCOMING
INDUSTRY THAT GIVES WOMEN AND MINORITY
GROUPS ECONOMIC POWER."**

**"WE ARE EDUCATED
PROFESSIONALS."**

*A tabulation from Qnity Inc. surveys from 2011-2022

CONCLUSION

The Pro Beauty Compensation Study was born from a desire to provide additional points of reference on compensation so that professionals working in the industry could have greater clarity on the details of their compensation. It began with a seemingly simple question: What does compensation look like for a career in professional beauty? Those of us with extensive experience in the industry know that a career in professional beauty can be highly competitive from an earnings, hours worked, and quality of life perspective.

At a time when the workforce across all industries faces challenges caused by outsourcing jobs to technology, the great resignation, the great regret, and quiet quitting, a career in professional beauty offers a viable, lucrative, and fulfilling career opportunity for people of all ages, genders, races, education levels, and walks of life. It offers a career filled with compassion, human touch, and beauty, three things that can never be replaced with technology.

Data can and should stimulate conversation and further research. Our intention is to continue to ask questions, collect data, and learn more about this unique industry. Together we can bridge the gap between perception and reality and compile data to address misconceptions about a career in beauty. If we're honest about the gaps in the professional beauty industry, we can take steps to close them.

ACCESS THE FULL REPORT

Please note that this is an Executive Summary of the Pro Beauty Compensation Study. The full report includes a more robust narrative, additional graphics, deeper insights, a section on financial literacy in the professional beauty industry, and a letter from the Chair.

NEXT STEPS: PHASE 3

We are looking forward to continuing the work we've started by introducing Phase 3 in 2023.* In Phase 3, we will collect data from the Phase 2 workforce segment in order to compare results year over year, identify trends, and increase the number of data points.** We will also expand to include other workforce segments through multiple studies. Additional studies may include:

- Brands with 11+ locations (W2s)
- Franchises (W2s)
- Day Spas (W2s)
- Barbering (W2s)
- Independents (non-W2s)

For those inside the professional beauty industry, please consider the following ways to get involved in future phases of the Study:

- Advocate for better and more accurate data to fill the gaps between perception and reality
- Encourage salons and spas in your network to participate in future phases of this Study
- Make the data actionable in your business; educate your staff on total compensation and help level up financial literacy in the professional beauty industry
- Help fund future phases of this Study by becoming a sponsor

*Future studies, including Phase 3, are contingent on funding and other factors

**Employee-based, 1-10 locations, hair as the primary service

WORKFORCE SEGMENTS

This Study does not represent all segments of the pro beauty industry, nor was it intended to. To answer the earnings question and gather better data, we needed to start somewhere. For practical purposes, we excluded certain segments, reserving them for future phases. Trying to address all segments of the pro beauty workforce has been a flaw of other studies.

The workforce can broadly be broken down between employed (W2) and self-employed (non-W2) workers. We started with the most standardized, accessible, and verifiable earnings data: W2 data provided to the IRS by employee-based salons. Next, segmented local and national employers, with 10 or fewer locations being the cutoff. Finally, we focused on full-service salons, with hair being the primary service. While most of these businesses offer other services, hair is the primary. Participants selected one department for each employee: hair, nails, skin, massage. 84% of the W2s collected were for employees in the hair department, 7% were for employees in the esthetics department, 5% were for employees in the nails department, and 4% were for employees in the massage department. The result is earnings data from employee-based salons that are independently owned, community-based, small businesses with 10 or fewer locations.

W2 VS NON-W2

	W2: EMPLOYEE-BASED	NON-W2: SELF-EMPLOYED
METHOD of reporting income to IRS	The W2 is a standardized form used by all employees to report earnings.	There is no single form to report earnings to tax authorities for non-W2 earners. Options include 1040 Schedule C, 1120S, 1065, etc.
ACCESS to data points	W2 data is highly accessible. Most employers payroll records can be easily downloaded.	Exponentially more participants would be needed to get a similar number of data points.*
Ability to VERIFY	W2 details match what is submitted to the government.	In theory, amounts could be verified with the government. But the inconsistencies in methods and amounts would make the data much less reliable and defensible.
DATA POINT, gross or net	The W2 reports gross earnings.	Tax reporting options include gross income, gross profit, net income, or adjusted net income (e.g., EBITDA), making comparisons problematic.

*For example, our methodology allowed us to get 100 W2 data points from a single employer. To get 100 data points from self-employed workers, we would have needed to speak to 100 different individuals, significantly increasing the amount of outreach required to get a comparable number of data points.

STUDY PHASES AND EVOLUTION

The Study was performed in phases as part of a long-term effort to gain clarity and additional points of reference on salon compensation. Several principles guided us and informed our work. We listened and learned with each phase. We embraced being a small team so we could quickly evolve the Study, getting closer to our goal of gathering high quality data. We aimed for progress, not perfection, and transparency in all aspects of the Study.

For Phase 2, we made several upgrades including: separating the Study into a new division of Qnity (The Qnity Institute); outsourcing the data submission process to an independent CPA Firm; assembling an independent Think Tank of industry leaders; developing a robust 50-question survey to collect deeper insights; increasing participation through advocacy, sponsorship, and outreach; and going from a small Study to an industry-wide collaboration.

✓ BETA PHASE: Q1 2022

- Beta started as a financial literacy project.
- It was intended to help a group of Small Business Owners (SBOs) (13 combined locations) educate their employees to fully understand their compensation.

✓ PHASE 1: Q2 2022

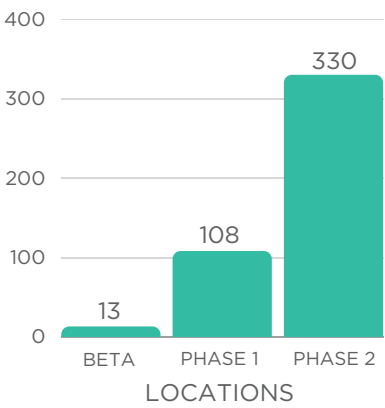
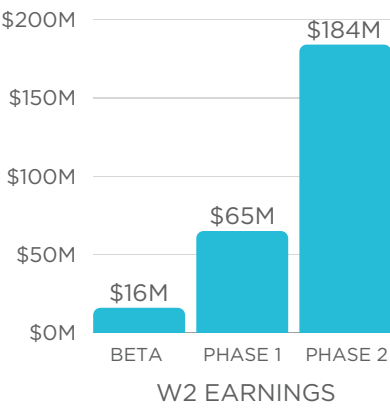
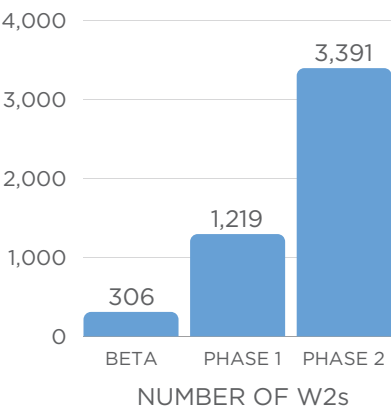
- Beta findings led to the development of a methodology based on verified W2 data.
- Phase 1 was a small, grassroots study with no outside funding. To go fast, we went alone.
- Phase 1 results compelled us to dig even deeper.

✓ PHASE 2*: Q3-4 2022

- Phase 2 evolved into an industry-wide collaboration with substantial upgrades and support from sponsors. To go farther, we needed to go together.
- As we became aware of biased, incomplete, and flawed data sources, our desire to provide an additional point of reference grew.
- This phase of the Study represented data from thousands of beauty industry professionals.

GROWTH THROUGH THE STUDY PHASES

As the phases of this Study have evolved, we have experienced significant growth. Between Phase 1 and Phase 2, we nearly tripled the dollar amount of payroll compensation represented in the Study, the number of W2s we were able to analyze, and the number of locations represented.*



*Phase 2 is the focal point of this report. Beta, Phase 1, and Phase 2 all used 2021 W2 data and focused solely on W2 employee-based salons with 1-10 locations.

PARTICIPANTS

THE COMPANIES

Our outreach efforts were highly intentional to ensure that our Study participants broadly represented the selected workforce segment: full-service, employee-based salons that are independently owned, community-based, small businesses with 1-10 locations.

The Study methodology was designed to appeal to every type of salon in our target segment, from small to large. However, it is fair to say that we likely attracted businesses with a level of sophistication sufficient to submit data.*

The results provide what we believe to be a representative sample of this segment of the professional beauty industry, including a variety of:

- Price points
 - Value (under \$34): 6%
 - Mid-Point (\$35-\$49): 55%
 - Premium (\$50-\$75): 39%
 - Luxury (over \$76): 0%
- Compensation structures:
 - Commission only: 50%
 - Greater of hourly rate or commission: 26%
 - Hourly or hybrid: 22%
 - Salary, piece rate (CA), or other: 2%
- Product brands: 149 different product brands were represented in the Study
- Geographic diversity: businesses from 36 states were represented in the Study

THE OWNERS

There is sometimes a perception among employees that the owners of employee-based salons are turning massive profits at the expense of the employees. This perception harms both professionals and business owners. This Study was inspired to bridge the gap between owners and employees, creating transparency and accuracy around compensation.

Here are 8 key data points and insights on the small business owners (SBOs) that participated in the Study, gathered through a robust survey submitted along with W2 data.

- Community based: 98% do business in one state
- Providing jobs: 94% have open positions
- Cosmetology graduates: 76% are graduates of cosmetology school
- Founders: 76% founded their business
- Female: 85% have at least one female owner
- Small: 86% are micro-businesses**
- Thin profits: 5% or less is the normal net income***
- Provide benefits: 96% provide benefits to employees

*See APPENDIX for full discussion on Study Limitations.

**Estimate, gross revenue under \$5M

***Other Qnity studies

METHODOLOGY

Employers participating in this Study were asked to submit anonymous W2 data in a private portal and complete a 50-question survey.* In addition to data collection and analysis, the Study Team and Think Tank did extensive outside research.



SUBMIT W2 DATA IN A PRIVATE PORTAL

This included information about locations, hours worked, length of service, service provider department, and compensation information - without collecting the names of any individual employees.

Step-by-step instructions were provided for salon owners to privately submit W2 data. The process was outsourced to an independent CPA firm to provide an extra layer of objectivity and protection of the data, and to ensure confidentiality and privacy.

- Companies only submitted data for employees who had completed a full year of service in 2021
- All submissions matched W2 information submitted to the IRS by the employer
- No adjustment was made for employees who were on leave for part of the year
- Data was classified into 4 departments: hair, esthetics, massage, nails
- Individual employee names were not collected

The data collection process also included:

- Salon location
- Total hours worked in 2021
- Average hours worked per week
- Length of service in the salon
- Years of service in the industry



COMPLETE A 50-QUESTION SURVEY

This included both qualitative and quantitative information that led to the development of our 8 key findings: Earnings, Flexibility, Benefits, Training, Inclusion, Possibilities, ROI, and Passion.

The survey was written by the Study Team and rigorously reviewed by the Think Tank. It included 50 questions that allowed the Study participants to share qualitative and quantitative information about:

- Compensation structures
- Scheduling flexibility
- Benefits offered
- New hire training and ongoing education
- Ownership
- Location demographics and minimum wage information
- Services and products offered
- Pricing
- Accepting and processing tips

*Not all companies that participated in the Study submitted W2 information AND completed the survey. See LIMITATIONS for further information.

LIMITATIONS

As with any data collection, there are limitations and tradeoffs. Examples of the limitations of this Study are indicated throughout the report and outlined below.

SALON TYPE

As discussed, we decided to focus on collecting data from one segment of the workforce: W2 employee-based salons. The Study does not address every aspect of our industry, nor was it intended to. We recognize that while employee-based salons comprise a large subset of the workforce in professional beauty, it is not the full picture. We acknowledge that this is just one segment of the professional beauty workforce and that there are cases where a worker may be both a W2 employee and a 1099 contractor. We look forward to expanding to other segments as we continue onto Phase 3.

A limitation of our Study was the type of salon this Study attracted. Many salons were contacted, but only some chose to respond. Those that responded may not be representative of the greater salon community. Readers of this report should use caution when applying Study findings for benchmarking with other businesses given the geographical, pricing, and labor differences between participating companies.

PARTICIPATION

Despite a massive outreach effort, it was challenging to get salon owners to complete both the W2 data submission and the survey. The average number of outreach attempts made to each business who expressed interest in participating was approximately 10; Our Study Team placed phone calls, emails, and text messages and held in-person conversations to encourage businesses to participate in this data collection.

Sampling bias occurs when some members of a population are systematically more likely to be selected in a sample than others. For example, perhaps salon owners taking the time to complete the survey are doing better financially and thus have more time and energy and are more excited to share their results than those that are struggling.

SAMPLE SIZE

We were encouraged by the participation we received in this Study. We look forward to expanding the sample size and collecting more data in future phases.

17% of participants only completed the survey, and 11% of participants only submitted W2 data. Therefore, we were only able to compare the datasets of the 72% who completed both the W2 data submission and the survey.

Additionally, we only collected W2 data from service providers that worked at the business for the full year of 2021. So the actual number of licensed professionals per company is likely higher than the number reported due to partial year employees.

DEFINITIONS

Words matter. For the purpose of this Study, we have identified the following definitions for important words used throughout this report.

COSMETOLOGIST A person licensed to provide cosmetic treatments to the hair, skin, and nails. Specialties include hairdressers, haircutters, colorists, barbers, estheticians, nail technicians, and massage therapists.

EMPLOYEE-BASED Businesses that have employees and issue W2s. This includes commission, hourly, or other pay methods. Many in the industry mistakenly call employee-based salons commission salons, this is inaccurate.

FULL-SERVICE SALON A salon offering more than one specialized service or category.

INDEPENDENT A non-W2 member of the workforce. The Study uses various terms interchangeably for these individuals: self-employed, independent, solo, non-W2, renter, and solopreneur. Independents often work as a suite renter, rent a chair in another establishment, or work in-home. They may also provide salon-related services as an independent contractor in the entertainment or fashion industries.

POINT OF REFERENCE Data or commentary used to classify, clarify, or bring another perspective to data and insights presented from the Study.

PRO BEAUTY An abbreviation for the professional beauty industry, which, for the purposes of this report, consists of licensed service providers.

SBO Small business owner, including members of the leadership team.

SEGMENTS OF THE WORKFORCE The process of identifying distinct groups of the workforce based on criteria such as employment status, licensing, and other identifiers.

STANDARD OCCUPATIONAL CLASSIFICATION (SOC) A federal statistical standard used by BLS to classify workers. BLS data referenced in the study refers to 39-5010 through 39-5012 including barbers, hairdressers, and cosmetologists and 39-5090 through 39-5094 including makeup artists, manicurists and pedicurists, shampooers, and skincare specialists.

W2 The W2 is an Internal Revenue Service tax form used in the United States to report wages paid to employees and the taxes withheld from them. Employers must complete a Form W2 for each employee to whom they pay a salary, wage, or other compensation as part of the employment relationship.

THE STUDY TEAM



TOM KUHN

Qnity Institute Chair and CEO of Qnity and Qnity for Schools. For more on Tom's bio, see the APPENDIX. Tom served as the overall project lead and was involved in most aspects of the Study, from data to design.



SONJA ECKLUND, NBC-HWC

National Board Certified Health and Wellness Coach, Financial Social Work Coach, and Qnity Director of Learning and Development. Sonja contributed in many areas including outreach, project management, and report writing.



STERN NEILL, PhD

A PhD in Business Administration and is a professor of marketing at Cal Poly Orfalea College of Business. Stern consulted on the development of Study, survey methodology, and the final report.



BEN MESICK, ACAS

An Associate of the Casualty Actuarial Society, an actuarial and analytics manager, and an independent data analyst. Ben completed all of the analysis in the findings section of the final report.



JARED SANDERS, CPA

A Certified Public Accountant (CPA) and a Shareholder and Audit Partner at Lighthouse Sanders. Jared oversaw the data collection and preliminary analysis.



CANDY LIU, CPA

A Certified Public Accountant (CPA) and audit manager at Lighthouse Sanders. Candy managed the data collection process for the W2 data portion of the Study.



MICHELLE SHUSTER

COO for Qnity and Qnity for Schools. Michelle managed production and editing of the report, and assisted with project management.



ERIN KUHN

President and Partner for Qnity and Qnity for Schools. Erin managed external relations with sponsors, advocates and other stakeholders, and is a spokesperson for the Study, bringing its findings to life for audiences.

THE THINK TANK

The members of this team served as research consultants and provided valuable contributions to the development of the survey. Additionally, they shared insights and reactions to the preliminary findings of this Study, which helped us develop the narrative behind this report.



MYRA IRIZARRY REDDY

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JANET WILLIAMS

Founder, CEO, and DEI-B Lead at Progressive Discoveries.



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Owner of Davanti Salon. 30 years of experience in workforce development consulting and HR at a Fortune 500 company.



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AL OSBORNE, PhD

PhD in business economics and MBA in finance. Professor emeritus at UCLA. Conducted Global Salon Business Awards.



ELAINE HAGAN, PhD

Associate Dean of entrepreneurial initiatives at UCLA Anderson School of Management.

ACKNOWLEDGEMENTS

STUDY PARTICIPANTS

A huge thank you to the businesses who completed this Study. Without their participation, this entire project would not have been possible. We thank them for their trust in the Qnity Institute, for their advocacy for small businesses, and for helping to move the industry forward. We greatly appreciate them for stepping up.

SPONSORS

In order to conduct Phase 2 of this Study, we needed support. We were fortunate that several organizations stepped up to provide financial support for this Study. To the sponsors of this Study, we thank you. If you would like to get involved with Phase 3, please reach out to us at compstudy@qnityinc.com.



ADVOCATES

Our sponsors and advocates helped with advocacy and outreach efforts that helped drive participation in Phase 2 of the Study.

AVEDA | BEAUTY CHANGES LIVES | BOULEVARD | JOHN PAUL MITCHELL SYSTEMS
NEILL CORPORATION | PROFESSIONAL BEAUTY ASSOCIATION | ROSY SALON SOFTWARE |
SALONBIZ | WELLA

SPECIAL MENTIONS

This project would not have been possible without the talents and hard work of many. The Chair would like to extend personal, heartfelt thanks to the Qnity team (Sonja Ecklund, Michelle Shuster, JP Gunderson, Erin Kuhn), the Design Team (Katelyn Magney and Linda Henneman), Lightheart Sanders (Jared Sanders, Candy Liu), Stern Neill, Ben Mesick, members of the Think Tank, and the Phase 1 Study Team (Jodi Ohama and Barry Matthews).

As a team, we'd also like to thank the following individuals for their counsel, research, feedback, advocacy, and other support: Sydney Berry, Steve Reiss, Sue Trondson, Victoria Anthony, Kristin Firrell, Ellen Anding, Lynelle Lynch, Robert Passage, Phil Horvath, Edwin Neill, Kevin Cameron, Candy Shaw, and Ronan Perceval. Thanks also to the businesses who participated in the BETA Study (Citrus, Ruiz, Gadabout, Mitchell's), the Lightbulb Moments audience, and the MANY others we haven't mentioned that were instrumental in this project.

DISCLAIMER AND DATA PROTECTION

Confidentiality, privacy, and transparency are foundational and of paramount importance to this and other studies conducted by Qnity Institute.

Employers participating in this Study executed a CONFIDENTIALITY and TERMS OF USE agreement prior to submitting data. This included disclaimers, an NDA, and clear objectives for the use of data.

This document provided Study participants with a thorough understanding of how their data would be collected, protected, and used throughout all phases of the Study.

After executing this agreement, a representative from the participating company was given access to the two parts of the Study for completion.

Published findings from this Study include only aggregate and anonymous data supplied by employers. Data is presented so that third parties, including the general public are not able to tie any confidential information back to participating employers. Employers did NOT provide any personally identifying information as a part of this Study.

In the interest of transparency, Qnity Inc.'s mission is to provide greater financial wellness for the beauty and wellness industry. Through various business units, Qnity Inc. provides training, coaching, and other services to achieve this aim.

Qnity Inc. began this market research on a grassroots basis as an impact-driven initiative to support its mission and to advocate for more points of reference on salon compensation.

Although Qnity Inc. has created a separate division called Qnity Institute to isolate activities, team members, funding, etc. from other Qnity business units, Qnity Inc. understands and respects that there will be perceived and actual conflicts of interest in undertaking this market research. The views expressed in this report are solely those of its authors.

Future studies, such as Phase 3, are contingent on funding and other factors. Contact us at compstudy@qnityinc.com to support this work.

Any material omissions related to the Study are unintentional.

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Readers of this report should use caution when applying Study findings for benchmarking with other businesses, given the geographical, pricing, and labor differences between participating companies.

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ABOUT

THE QNITY INSTITUTE

The purpose is to create economic empowerment through actionable data and financial literacy. Building on over a decade of 200 studies from Qnity Inc. and ground-breaking data projects, such as the 2TO10 Project, the Institute was formed to deepen data collection and expand research initiatives. Separating the Institute from Qnity Inc. was essential to encourage industry wide collaboration and allow dedicated resources for research, data collection and analysis.

QNITY

Qnity is a learning and development company with education and visual-thinking tools that have helped transform beauty and wellness businesses and individuals across the globe. We believe in a simple and visual approach to financial wellness. With solutions for entrepreneurs, intrapreneurs, solopreneurs, and students - our programs and services help individuals and businesses reach greater levels of financial success.

THE CHAIR AND PROJECT LEAD

Qnity Founder Tom Kuhn is a trusted financial expert and leader in the beauty and wellness industries. He has studied the economics of pro beauty, including salon compensation, for 28 years. He's performed over 300 financial assessments, led groundbreaking studies on multi-location salon performance, and has been an advisor to many top beauty industry companies.

Tom is the founder of the 2TO10 Project and a board member for the non-profit organization Beauty Changes Lives. He has worked globally in owner and/or C-level roles for salons, spas, distribution, retail, and manufacturing. He was a Guest Professor at the Entrepreneurship Center at U-Mass Boston and has worked with non-beauty clients such as Merrill/BOA and JP Morgan/Chase. For the first 15 years of his career, he was a CPA with national and regional firms specializing in creative entrepreneurial companies, financing, and taxation.

Tom is dedicated to the financial success and sustainability of the industry. He is an educator and program designer, a whole-brain thinker, and is known for making finance and money matters simple, visual, and approachable, especially for creative professionals.



ECONOMIC EMPOWERMENT
ACTIONABLE DATA | FINANCIAL LITERACY

OUR MISSION:

A recently formed division of Qnity Inc., our purpose is to create economic empowerment through actionable data and financial literacy.

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This Study was designed as a long-term effort to provide greater clarity and should not be viewed as the only point of reference. It is considered market research, and the findings and data points are subject to evolve as we expand outreach and add additional segments to our data collection process. Refer to disclosures and disclaimers in this report.

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