

American Beauty Schools Educating a Workforce for Tomorrow

How Beauty Schools Prepare Students for a Lifelong Career



COVID-19 changed much of American life, especially in the workplace. The economic downturn gave way to the Great Resignation. Workers wanted more control over their lives – clocking in and clocking out working for a large company but for a small paycheck just wasn't going to cut it anymore.

Beauty schools across the country saw an enrollment crush as people wanted increased flexibility, a chance to learn new marketable skills and a sense of purpose that a rewarding career provides.



Now, these students – mostly women and many women of color - are graduating and headed off to start their own salons or set their own hours as they chart a course for a new, creative career. The plain facts are, 89 percent of our students are women and nearly a third of our students are either African-American or Latino.

However, the likelihood of forthcoming proposed Gainful Employment (GE) rule changes from the U.S. Department of Education next year threatens to cut these career-focused students off their chosen path with new regulations not based in the real-world experiences of the people who work in the beauty industry.

Data compiled by the federal government and beauty schools themselves shows these students graduate at a higher rate than four-year university students, leave school with less debt than their four-year peers and then find placement in their chosen career.

Like the rest of higher education, not all for-profit schools are equal. Some for-profit schools churning out students may well indeed need reform. However, the beauty school sector stands out as a model of success – low cost with the greatest potential for job placement and a ramp up/ramp down earnings potential around which to build a flexible life. More than 1,500 for-profit beauty schools are spread around every state in the Union. The vast majority turn out students immediately prepared for a career in the beauty industry – everything from a hair stylist to a nail technician to a waxing professional. The specialized training doled out by professionals and veterans of the industry readies a new generation of business owners and beauty care providers to do hair, nails and aesthetics for years to come.

For policymakers, the most important aspect of for-profit beauty schools is our success rates. The schools boast an average graduation rate of 76 percent. Four-year university leaders blush with envy at the disparity in graduation rates.

At for-profit beauty schools, our students face an average debt of less than \$9,000 based on College Scorecard data for members of the American Association of Cosmetology Schools – far less debt than a student incurs at a four-year institution. And with an average graduation rate of 76 percent and an average job placement rate above 71 percent, student loan default rates remain low. Beauty school students taking out loans to pay for schooling remain a good bet.

More than 1.4 million people work in the beauty industry, with the U.S. Department of Labor's Bureau of Labor Statistics estimating the sector will grow by 11 percent over the next decade.

Life-Changing Education

The statistics from the federal government only tell a portion of the success attributed to beauty schools. The real breadth of our success comes from the stories of our graduates.



Vanessa Valenzuela

Waxing Salon Owner

Take, for instance, Vanessa Valenzuela, a graduate out of the Crave Academy in Wichita, KS. She left school with a cosmetology certificate and a license from the state after she passed her test. She also left behind her \$7.50 an hour job at a local coffee shop. And then COVID-19 struck America. As a non-essential worker, Vanessa, like millions of others, was forced from the workplace and stayed home. She used the time to hatch a plan. With her new skills, she decided to open her own business – a waxing salon.

Two years in, Vanessa still operates her waxing business where she charges patrons upwards of \$100 for an hour-long session. She is a thriving business owner, an Hispanic woman in charge of her own destiny. Her next goals: to be fully booked at least two months out and within several years having her own storefront with employees.



I knew I wanted to do something in a trade. I had never heard of being an esthetician,” Vanessa said recently. “But aesthetics school resonated with me. And the school gave me skills, not just how to perform the services but also how to manage a business. And for that I am eternally grateful.”

Jessica George

Training Specialist & Cosmetology School Graduate

Jessica George grew up in New Jersey and found a role model in her grandmother, a hair stylist. She knew from a young age she would follow in those footsteps but with a dream of being a stylist to celebrities. After cosmetology school, she began working in a salon. However, life-changing events took over. Jessica had a daughter and soon thereafter she was approached by the school she attended to return to teach students.

“But what about my dream of going to California?” Jessica thought. She chose the stability of teaching at her alma mater.



Going to beauty school wasn’t my last resort. It was my first resort,” Jessica said. “It gave me a space to make the decisions that highlighted my gifts and passions, but also gave me the resources to provide a life for my family that wouldn’t be possible without the education and hands-on experience I received at the start of my career.”



Jessica is now a training specialist for a New York company and trains teachers across the country.

Frank Trieu

2nd Generation Beauty School Owner in Washington State



Frank Trieu's family didn't set out to be in the beauty school business when his parents fled Vietnam in 1975. Trieu's parents came to the U.S. after being rescued at sea by American forces as they escaped South Vietnam when communist forces took over the country.

After Frank's mother, a school teacher in her native country, found getting a job in her profession difficult because of the language barrier, she enrolled in beauty school. And after graduation, she started her own salon. Frank's parents also started a janitorial service in the 1980s, with one of its clients a beauty school. Eventually, Frank's parents bought that beauty school. And 40 years later, the second generation of Trieus run Evergreen Beauty College with about 800 students in several campuses around Washington state.



For many immigrants and people of color, this is how they get access to the post-secondary education system, which gives them employable skills right after graduation,” Frank Trieu said. “My parents saw the value in creating an educational environment that fosters success for the students when they enter the workplace. My siblings and I are proud to continue their hard work and tradition.”

One study author has suggested there is little earnings difference in attending a vocational school versus simply entering the work force. However, numbers don't define a rewarding career. Working at a fast-food restaurant or other unskilled job may help those who are young or without vocational skills, but hardly leads to a rewarding, years-long career in a field they enjoy, as Vanessa, Jessica and Frank can testify.



Myth Vs Fact

Opponents of for-profit schools attack beauty schools for operating as a business, yet the evidence is clear that these schools are small businesses, often individual or family owned, firmly entrenched in their communities, that perform an important function in society and turn out thousands of graduates ready for a career immediately after graduation.

MYTH:

Graduates of beauty schools are saddled with debt they will struggle to repay.



FACT:

The average tuition amount is \$15,953 with the average debt amount \$8,936. That amounts to an average loan payment of just \$59 per month. These figures pale in comparison to the debt for a student leaving a four-year university with \$37,358 in debt.¹

Beauty School
Debt: \$8,936



MYTH:

Students in for-profit beauty schools fail to complete their degree programs.²



FACT:

In reality, beauty school students are more likely to complete their programs than four-year university students. Beauty school students have a completion rate of 76 percent. Yet, four-year university students fail to complete their programs at a far higher rate, with just 41 percent of students attaining a degree in four years.³

MYTH:

Beauty school graduates earn less than high school graduates in the workforce.



FACT:

When hourly wages and tips are factored in, beauty school graduates earn far more than minimum wage or unskilled laborers. In any service industry, a substantial portion of a person's earnings come via tips – which can sometimes go unreported but increasing professional education offered by schools is working to address that issue. A wage study set to be released in the fall of 2022 will look at salary and tips of a cosmetology graduate.

MYTH:

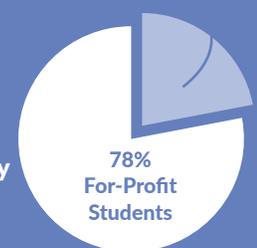
Without for-profit beauty schools, students would find alternatives.



FACT:

More than 100,000 students are enrolled in for-profit beauty schools, accounting for 78 percent of all graduates needed by salon and spa employers. Very few cosmetology program graduates come out of private non-profit or public schools. Students are clamoring for an education at for-profit cosmetology schools because of their success rate, costs and placement programs. These schools are simply good at what they do.

22% Non-Profit Students



MYTH:

All for-profit degree programs have a high default rate among their students.



FACT:

For-profit beauty schools perform an important function: We educate the vast majority of tomorrow's hair stylists, cosmetology graduates and other self-care professionals. The data is clear: Our students succeed and thrive after graduation, supporting families, owning businesses and enjoying a career beyond the grind of unfulfilling hourly employment.

¹ <https://www.bestcolleges.com/research/average-student-loan-debt/#references>

² <https://educationdata.org/college-dropout-rates>

³ https://nces.ed.gov/programs/raceindicators/indicator_red.asp

The Gainful Employment (GE) Rules Changes Set to Come Out in April

Gainful Employment may be a useful tool in looking at a graduate's ability to earn enough money to repay a student loan but it is applied unevenly. Four-year, state schools or non-profits are not held to the same standards for a regular degree. Critics love to say that for-profit school programs do not fare well under the proposed Gainful Employment rule, while conveniently failing to mention that non-profit and 4-year public institution programs are exempt from the rule. Those institutions would not fare well either in many cases if the rule was applied to their programs.

Take a journalism degree, for instance. A degree at a state university may be upwards of \$43,000 for just the classes and assorted fees. Yet, an entry level reporter stands to make less than \$38,000 a year⁴ depending on the market and talent, Salary.com reports.

Across the country, most available journalism jobs pay between \$31,500 and \$55,000 annually.⁵ A stellar return on investment? Hardly. Yet, the GE rules do not apply to a state university where a student might have \$50,000 in debt and decades to go before paying it off.

If higher education policymakers were serious about tackling higher education “return on investment,” they would support matching career earning results with tuition costs, and take a much closer look at university programs that lead to low-earning jobs that are paid for with taxpayer dollars through the federal student loan program.

Some might argue journalism is a laudable career that helps shine a light on our government and informs the people. It is indeed a worthy endeavor.

Just as is the beauty industry sector, which performs an important function for tens of millions of Americans every month.

The new GE regulations are highly anticipated but it is unclear now what they will look like. Under the Obama Administration, critics sought to limit the ability for students at for-profit colleges to qualify for federal student loans. The Department of Education eventually rescinded those proposed rules.

GE reforms can only be discussed when looking at higher education institutions at all levels, not just the for-profit industry that turns out graduates ready to work on day-one.

As the U.S. Department of Education prepares to release new Gainful Employment regulations, policymakers and Congress must take into account the unintended consequences of such actions on student choice.

⁴ <https://www.salary.com/research/salary/posting/entry-level-reporter-salary>

⁵ <https://www.ziprecruiter.com/Salaries/Journalist-Reporter-Salary>



Four-Year Universities Drive Federal Student Loan Debt

There can be no question that when looking at student debt, four-year universities are the problem, plain and simple, from state schools to private institutions. Student loans are a mainstay of students at four-year institutions and total student debt in America is \$1.75 trillion according to the Federal Reserve Bank of St. Louis.⁶

President Joe Biden recently announced a plan to cancel up to \$20,000 in student debt for Pell Grant recipients and \$10,000 for other students with debt. While details are still emerging, this effort by the Biden Administration could erase the student debt of the vast majority of beauty school graduates. For many students who attended a four-year university and obtained a bachelor's degree or even a post-graduate degree, the loan forgiveness is just a dent in their overall debt.

According to the Federal Reserve, average student debt from a four-year university sits at more than \$36,000. For those with post-graduate degrees such as a masters degree, the debt could be as high as \$71,000.

For-profit beauty schools remain a bargain. If the Biden plan accomplishes its goal, many beauty school students will be debt free while pursuing a rewarding career. Policymakers and the public must become more welcoming and accepting of technical, skills based training that is the perfect option for many students and an alternative to a 4-year degree.

⁶ <https://fred.stlouisfed.org/series/SLOAS>

Conclusion

The reported 1,500 for-profit beauty schools across the country stand out as a success in the industry, sending graduates out into the real world armed with skills, knowledge and ability to support families and thrive in the community.

Our graduates follow their chosen career path and work around what life throws at them. Some are happy with a flexible schedule while others set out to start their own business to leave a legacy to their family. The men and women of our cosmetology schools style the hair and nails of stars, athletes, politicians and everyday Americans. We send our clients into the world looking and feeling their best, ready to meet whatever life throws their way.

Policies from Washington should promote openness, competition and freedom. The for-profit beauty school industry plays an important part in the education and career path for thousands of men and women every year. Handcuffing this unique and specialized industry with burdensome regulations will hurt the hardworking men and women who see cosmetology as a path to supporting a family and following a dream.



The American Association of Cosmetology Schools was founded in 1924 and has a rich history of educating and advancing millions of students into the beauty and wellness industry. We are a national nonprofit association open to all privately owned schools of cosmetology arts and sciences. Our membership includes cosmetology, skin, nail, barbering, and massage schools. AACCS currently has more than 250 school owners as members comprising of over 500 schools across the nation.

Our schools provide creative learning opportunities for a diverse cross-section of people who want to improve their lives and provide for their families. AACCS graduates are the beauty industry's professionals of today and tomorrow.