



SHEAR KNOWLEDGE

MAXIMIZING YOUR INCOME

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The vast majority of cosmetology students want to own their own business. While that might be a great idea, just realize that you don't need to start your business the day you graduate, in fact, that's probably the worst time to get started. Take your time and think things through. The best time to start your own business is when you have a great business plan, when you have the money saved up, and really... when YOU are ready.

While you're thinking about your long-term goal of owning your own business, one of the best things you can do right after graduating is to work for someone else. Let them take the financial risks, and learn from their successes and failures. All the while, you'll be getting trained, developing your skills, and earning a steady income.

Where should you start your career? What should be your first job after cosmetology school? It depends on what your passion is. If you love color, you should probably look for a full-service salon such as Supercuts or Fantastic Sams. If you love cutting, you should probably look for a select-service salon such as Great Clips or a barber shop. In addition to what type hair services you enjoy doing, you should also consider what type customers you enjoy being around. If you love kids, you might want to work at a children's salon such as Sharky's, Pigtails & Crewcuts, or Cookie Cutters. But keep in mind, you'll need to have a lot of patience when working with kids. If you like men, you might want to work at Sport Clips or Roosters.

In the hair industry, there are two main categories of salons – national name brand salons (mostly franchises) and local privately owned salons. Currently, all of the name brand salons combined only have about 40% market share. The other 60% of the market is comprised by privately owned salons – which means that about 60% of the jobs out there are with the small Mom & Pop salons. Each type of salon has advantages and disadvantages.

The name brand salons spend a lot of money on marketing – which gives them name brand recognition. For someone coming right out of cosmetology school, the name brand salons might be a better choice because they have customers coming in the door just as soon as they flip on the OPEN sign. If you work for a private salon, you'd probably have to build your own clientele one customer at a time. Regardless of what type of salon you choose, another major consideration is how you get paid. All of the national salon brands pay a base hourly wage plus tips. As for the privately owned salons, about half pay a base wage and about half pay commission only, which means you only earn money when you have a customer in your chair.

Regardless of what type of salon you end up working at, the key is to spend less than you earn – and save/bank the difference. And then someday down the road when you're ready to start your own business, you'll have the cash to invest in yourself.