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Cosmetology Schools Everywhere *Most Cosmetology Schools Exist Outside of the Federal Student Aid System*

Stephanie Riegg Cellini, George Washington University & NBER
Bianca Onwukwe, George Washington University

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The views expressed in this report are solely those of the authors.

As policymakers debate new regulations on career programs under the Gainful Employment (GE) rule, a key concern of the for-profit sector has been the fate of cosmetology programs that disproportionately fail proposed metrics based on earnings and student loan debt. The GE regulations would impact nearly all for-profit programs as well as non-degree programs in other sectors that receive federal student aid under Title IV of the Higher Education Act of 1965. These “Title IV” programs receive taxpayer funding in the form of Pell Grants and federal student loans.¹ Given that Title IV institutions and programs rely on public funds and face mandatory data reporting, there is good reason why Title IV programs have been the focus of most analyses of the cosmetology sector. In fact, a [recent report](#) by the Century Foundation finds that 98% of Title IV cosmetology programs would fail the newly-proposed high school earnings threshold under GE, as cosmetology graduates typically earn less than the average high school graduate in their state.² For-profit and cosmetology school advocates have decried the new rules as devastating to the sector, but, as we show below, the impacts on the sector may be very different when we consider the full set of cosmetology schools in the United States—including those that do not participate in Title IV.

In the analysis that follows, we show that the 1,000 or so Title IV cosmetology institutions³ make up only a small portion of all cosmetology schools in the United States, when counting both Title IV- and non-Title IV-eligible institutions. Our numbers build on previous research that suggests that many hundreds, if not many thousands, of cosmetology schools operate outside of the federal student aid system.⁴ Since these “non-Title IV” schools would be unaffected by new regulations aimed at Title IV-participating institutions and programs,⁵ arguments that GE would limit student access to a cosmetology education are largely unfounded.

The existence of large numbers of cosmetology schools operating completely outside of the federal student aid system, also indicates that even Title IV institutions that lose federal aid under GE could continue to operate. Previous research on for-profit institutions⁶ and the case studies below suggest that these schools may even lower their tuition—and thereby reduce student debt—in the absence of federal subsidies. If quality is similar, students would be better off in these low-cost institutions.

Drawing on new data from the state of Texas, we find that there are over 800 cosmetology schools in this state alone. A full 86 percent of licensed Texas cosmetology schools (or 707 schools) operate *without* federal taxpayer funds under Title IV. Just 14 percent (117 schools) participate in Title IV programs and would be subject to GE regulations. We further find that non-Title IV institutions operate in 98% of the Texas counties that have at least one licensed cosmetology or barber school, discrediting theories that access to cosmetology programs would be substantially limited under GE. We further offer three examples of Title IV and non-Title IV institutions that offer similar programs in the same local area. Our qualitative data supports previous research showing that non-Title IV institutions charge substantially lower tuition and fees⁷ than similar for-profit

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institutions that participate in Title IV. Students attending non-Title IV institutions cannot obtain federal student loans, although they may benefit from other types of taxpayer support, such as state grants or GI Bill funding.

We know little about the quality of non-Title IV cosmetology programs, as data on completion, earnings, debt, and most other student outcomes are not available. However, existing research from the state of Florida finds that Title IV and non-Title IV cosmetology programs have similar pass rates on licensing examinations.⁸ If quality is similar, and students generally pay lower tuition at non-Title IV institutions⁹ and take on less debt, it is likely that policies restricting aid to low-performing Title IV cosmetology programs, such as GE, could improve student outcomes.

Critical for policy, our analysis suggests that even if all Title IV cosmetology programs lost access to federal student aid under GE, a large number of cosmetology programs and institutions would continue to operate—many in the same counties as the failing Title IV programs and many with lower tuition and similar pass rates on exams. The implications are critical for cosmetology students, who are disproportionately women and people of color, and for policymakers as they strive to improve equity and accountability in higher education.

THE TEXAS COSMETOLOGY SCHOOL LANDSCAPE

We draw on new data from the state of Texas to better understand the full set of cosmetology institutions and programs, including those that do not participate in Title IV programs. Our data on Texas cosmetology schools comes from the [Texas Department of Licensing and Regulation](#). It includes all cosmetology and barber schools licensed to operate in the state as of June 2022. We merge these data with data on Title IV institutions in the latest release of the Department of Education’s institution-level [College Scorecard](#) data released on May 2, 2022, containing data from institutions operating in 2020-21.

Our Texas data shows that there are 824 cosmetology and barber schools licensed to operate in the state. Just 14 percent, or 117 schools, appear in the College Scorecard. We infer that these 117 participate in Title IV, as shown in the first row of Table 1. A full 86 percent, or 707 licensed schools throughout the state, do not appear to participate in federal aid programs under Title IV and would be unaffected by proposed GE regulations.

The Texas data include relatively little information on each school, but schools are categorized by a license type. Definitions of these licenses are not entirely clear, but cosmetology schools listed as “private schools” are “private businesses that offer instruction and training services to post-secondary students in exchange for tuition and fees...Public Schools are defined as being part of a public high-school, a public junior-college, community-college, or any other nonprofit tax-exempt institution.”¹⁰ Private schools seem to be exclusively for-profit. Any nonprofit institutions are characterized as public. Our data further breaks public (and presumably nonprofit) schools into “junior colleges” and “vocational/high school.” Barber schools are listed separately with a different curriculum and licensing requirements and do not appear to be split by sector.

We list counts and percentages for these license types in the lower rows of Table 1. There are 309 licensed for-profit cosmetology schools in Texas. Most of these institutions (212 schools or 69%) do not participate in Title IV—only 31% or 97 schools get federal aid. However, these 97 institutions make up the vast majority of the Title IV cosmetology and barber schools in the state, accounting for 83% of all Title IV eligible institutions. The other 17% are barber schools.

Our Texas data reveals that there are no public or non-profit junior colleges or vocational schools/high schools with cosmetology programs that participate in Title IV programs in the state, but there are over 60 non-Title IV institutions listed as junior colleges and 218 listed as vocational/high school. The numbers suggest that there are many public options for students seeking cosmetology training in the state.

STUDENT ACCESS TO COSMETOLOGY INSTITUTIONS

The previous analyses suggest that there are a large number of licensed cosmetology and barbering institutions in the state of Texas, but a critical question for policymakers is whether students will continue to have access to multiple options in the event that some—or many institutions—shut down or lose access to federal aid.

To address this question, we consider the distribution of schools around the state. There are 110 counties in the state of Texas with at least one licensed cosmetology or barber school and we limit our analyses to these counties.¹¹ As we show in the first row of Table 2, non-Title IV institutions operate in nearly every county in Texas with at least one licensed institution (108 counties or 98% of our observed counties). 57% of the 110 counties have at least two non-Title IV institutions that students can choose from. If Title IV cosmetology schools are closed, these schools will remain options for students.

One-third of all counties in our sample have at least one non-Title IV and one Title IV institution. 27% of counties that have at least 1 Title IV institution also have 2 or more non-Title IV institutions. These relatively low numbers are driven by the relatively low number of Title IV institutions throughout the state. Only 35% of counties (38 counties out of our 110) have any Title IV institutions at all. Again, 98% of these counties have at least one institution offering cosmetology or barbering programs that do not participate in federal student aid programs and would remain untouched by proposed Gainful Employment regulations.

In Table 3, we list data for the 18 Texas counties with 10 or more licensed cosmetology or barber schools. Data for our full sample of 110 counties are listed in Appendix Table A1. Harris County, the county surrounding the city of Houston, has 138 licensed schools—far more than any other county. Dallas county has just under 100 schools. In both counties, non-Title IV institutions make up the vast majority (about 88%) of licensed institutions. Many smaller counties, such as Denton—with 19 institutions—still seem to have multiple options for students. We consider counties to be reasonable approximations of commuting distance, but of course, schools may still be geographically dispersed within counties and many Texas counties have no cosmetology schools at all. On the other hand, students near county borders might have more options outside of their own county.

CASE STUDY: SALON BOUTIQUE ACADEMY

To better understand student options, we compare three institutions in Dallas that prospective cosmetology students might choose from. Salon Boutique Academy is a Title IV institution that offers esthetics, cosmetology, manicure, and make-up programs. According to its website, tuition, fees, books, and supplies for the 1,000-hour cosmetology program totals \$16,060.¹² Esthetics and other programs require fewer hours of training and charge slightly less. For example, the esthetics program requires 750 hours and costs \$13,550. We know from the College Scorecard, that just over half of students at Salon Boutique Academy are Pell Grant eligible (51%). The school also enrolls large shares of Black and Hispanic students at 29% and 39%, respectively.

Just 6 miles away from Salon Boutique Academy is a non-Title IV institution called Modern Beauty Academy. Like Salon Boutique Academy, it also offers a 1,000-hour cosmetology program as well as shorter programs in esthetics, manicure, and related fields. In sharp contrast with Salon Boutique Academy, however, this non-Title IV institution charges less than one-third of the price of the Title IV institution: just \$4,775 for tuition, fees, and required supplies for its 1,000-hour cosmetology program.

Students considering the esthetics program at the Title IV-eligible Salon Boutique Academy have another non-Title IV option nearby called SSL Skin Institute, just 1.2 miles away. The cost of tuition, fees, books, and supplies at SSL Skin Institute is about 70-90% of the cost of the cost of Salon Boutique Academy, at \$9,800 for their hybrid esthetics program, and \$12,300 for their evening esthetics program.¹³ SSL Skin Institute also offers continuing education courses for cosmetologists, instructor training, and manicure programs.

CONCLUSIONS

Our analysis of Texas data reveals that there are over 800 cosmetology schools in the state and 86% operate without federal taxpayer funds under Title IV. Just 14% of licensed Texas barber and cosmetology schools participate in Title IV programs and would be subject to proposed GE regulations. We further find that non-Title IV institutions operate in 98% of the Texas

counties that have at least one licensed cosmetology or barber school, suggesting that students around the state would likely continue to have options for their education, even if many Title IV institutions closed.

Our analysis adds to previous work that documented a large number of non-Title IV cosmetology programs in other states and noted dramatic tuition differences. Cellini and Goldin (2014) focus on full-time, non-degree cosmetology programs in schools with at least one program of 900 or more hours in the state of Florida. They find that there were 136 such non-Title IV programs and 606 Title IV-eligible cosmetology program in the state of Florida between 2005 and 2009. They further document that Title IV and non-Title IV programs had similar pass rates on cosmetology licensing exams, yet the non-Title IV programs charged tuition that was nearly \$4,000 higher or about 78% higher than the tuition charged by similar non-Title IV programs.

Our new evidence from Texas, although only descriptive, is largely consistent with Cellini and Goldin. We document a large number of non-Title IV institutions dispersed throughout the state of Texas and we find suggestive evidence of much higher tuition in Title IV institutions, relative to non-Title IV institutions for similar programs. We have no reason to believe that the patterns we observe in Texas and Florida are markedly different in other states.

Our analysis refutes arguments suggesting that newly-proposed GE regulations would leave students without options for cosmetology training. It is clear that many options for cosmetology and barber training exist outside of the federal student aid system and these schools typically charge lower tuition than Title IV programs. More research and state-level accountability measures may be required to ensure positive outcomes for students in non-Title IV cosmetology training. Nonetheless, students and taxpayers are likely to benefit from regulations, like GE, that cut federal aid to low-performing Title IV cosmetology schools. Not only are such regulations unlikely to harm access, but they may also generate incentives for for-profit institutions to lower tuition and ultimately leave students with less debt.

REFERENCES

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Table 1. Title IV Status of Cosmetology Schools in Texas, by License Type

License Type	Non-Title IV	Title IV	Total
All Barber & Cosmetology Schools	707	117	824
row percent	86%	14%	100%
column percent	100%	100%	
Cosmetology Private Schools	212	97	309
row percent	69%	31%	100%
column percent	30%	83%	
Cosmetology Junior Colleges	60	0	60
row percent	100%	0	100%
column percent	8.5%	0	
Cosmetology Vocational/High Schools	218	0	218
row percent	100%	0	100%
column percent	31%	0	
Barber Schools	217	20	237
row percent	91.6%	8.4%	100%
column percent	30%	17%	

Notes: License type listed by TX Dept. of Licensing & Regulation. Title IV status inferred based on merge with College Scorecard. Rows and columns may not add to 100 due to rounding.

Source: Texas Department of Licensing & Regulation and College Scorecard institution-level data.

Table 2. Distribution of Cosmetology and Barber Schools in Texas Counties

Number of Counties with any Non-T4 schools	108
Percent of Counties	98%
Number of Counties with 2+ Non-T4 schools	63
Percent of Counties	57%
Number of Counties with 1+ T4 and 1+ Non-T4 school	36
Percent of Counties	33%
Number of Counties with 1+ T4 and 2+ Non-T4 schools	30
Percent of Counties	27%
Number of Counties with any T4 schools	38
Percent of Counties	35%
TOTAL NUMBER OF TEXAS COUNTIES	110

Notes: "T4" refers to Title IV participating institutions. "Non-T4" refers to non-Title IV participating institutions. See text for definitions. Data includes only counties with at least one or more licensed cosmetology or barber school.

Source: Texas Department of Licensing & Regulation and College Scorecard institution-level data.

Table 3. Number of Non-Title IV and Title IV Cosmetology & Barber Schools in Texas Counties with more than 10 Institutions

County	Non-Title IV	Title IV	Total
BELL	8	2	10
BEXAR	31	4	35
BRAZORIA	8	2	10
BRAZOS	10	2	12
CAMERON	14	1	15
COLLIN	13	1	14
DALLAS	88	11	99
DENTON	18	1	19
EL PASO	24	4	28
GALVESTON	9	1	10
GREGG	9	1	10
HARRIS	122	16	138
HIDALGO	44	9	53
LUBBOCK	10	1	11
MONTGOMERY	18	0	18
NUECES	9	1	10
TARRANT	43	12	55
TRAVIS	22	15	37

Source: Texas Department of Licensing & Regulation and College Scorecard institution-level data. The full list of Texas counties with at least one licensed cosmetology or barber school is included in Appendix Table A1.

Appendix Table A1. Number of Non-Title IV and Title IV Cosmetology & Barber Schools in Texas, by County

County	Non-Title IV	Title IV	Total
ANDERSON	2	0	2
ANDREWS	2	0	2
ANGELINA	4	1	5
ATASCOSA	3	0	3
AUSTIN	2	0	2
BEE	3	0	3
BELL	8	2	10
BEXAR	31	4	35
BOWIE	4	2	6
BRAZORIA	8	2	10
BRAZOS	10	2	12
BROWN	1	0	1
BURLESON	2	0	2
CALDWELL	2	0	2
CAMERON	14	1	15
CHILDRESS	1	0	1
COCHRAN	1	0	1
COLLIN	13	1	14
COLLINGSWORTH	1	0	1
COLORADO	1	0	1
COMAL	1	1	2
COOKE	2	0	2
DALLAS	88	11	99
DAWSON	1	0	1
DEAF SMITH	1	0	1
DENTON	18	1	19
DEWITT	1	0	1
EASTLAND	2	0	2
ECTOR	5	0	5
EL PASO	24	4	28
ELLIS	5	0	5
ERATH	1	0	1
FALLS	1	0	1
FANNIN	1	0	1
FAYETTE	1	0	1
FORT BEND	2	0	2
FRANKLIN	1	0	1
GAINES	1	0	1
GALVESTON	9	1	10
GONZALES	1	0	1
GRAY	1	0	1
GRAYSON	3	1	4
GREGG	9	1	10

Appendix Table A1. Number of Non-Title IV and Title IV Cosmetology & Barber Schools in Texas, by County (Continued)

County	Non-Title IV	Title IV	Total
GRIMES	1	0	1
GUADALUPE	2	2	4
HALE	1	0	1
HAMILTON	1	0	1
HARDIN	1	1	2
HARRIS	122	16	138
HARRISON	2	0	2
HAYS	7	1	8
HENDERSON	3	0	3
HIDALGO	44	9	53
HILL	1	0	1
HOCKLEY	1	0	1
HOWARD	1	0	1
HUNT	4	1	5
HUTCHINSON	4	0	4
JASPER	0	1	1
JEFFERSON	8	1	9
JIM WELLS	1	0	1
JOHNSON	4	0	4
KAUFMAN	2	0	2
KERR	1	1	2
KLEBERG	2	0	2
LAMAR	3	0	3
LAMPASAS	1	0	1
LIBERTY	1	0	1
LUBBOCK	10	1	11
MATAGORDA	3	0	3
MAVERICK	1	0	1
MCCULLOCH	1	0	1
MCLENNAN	9	0	9
MIDLAND	6	0	6
MONTGOMERY	18	0	18
MOORE	1	0	1
NACOGDOCHES	2	0	2
NAVARRO	1	0	1
NUECES	9	1	10
ORANGE	5	0	5
OUT OF STATE	0	2	2
PANOLA	1	0	1
PARKER	4	0	4

Appendix Table A1. Number of Non-Title IV and Title IV Cosmetology & Barber Schools in Texas, by County (Continued)

County	Non-Title IV	Title IV	Total
POTTER	1	1	2
RAINS	1	0	1
RANDALL	5	3	8
REEVES	1	0	1
SAN PATRICIO	0	1	1
SHELBY	1	0	1
SMITH	5	0	5
STARR	4	0	4
TARRANT	43	12	55
TAYLOR	5	2	7
TERRY	1	0	1
TITUS	2	0	2
TOM GREEN	1	1	2
TRAVIS	22	15	37
TRINITY	1	0	1
UVALDE	1	0	1
VICTORIA	3	2	5
WALKER	2	1	3
WALLER	2	0	2
WASHINGTON	1	2	3
WEBB	6	3	9
WHARTON	2	0	2
WICHITA	8	0	8
WILBARGER	2	0	2
WILLIAMSON	3	2	5
WOOD	1	0	1
YOAKUM	1	0	1
ZAVALA	1	0	1
Total	707	117	824

Source: Texas Department of Licensing & Regulation and College Scorecard institution-level data.

ENDNOTES

- 1 Both Title IV and non-Title IV institutions and programs may receive other public support, through state aid programs, the GI Bill, and other programs.
- 2 Fast, Granville & Moultrie (2022). The vast majority of Title IV cosmetology programs are in for-profit colleges, but cosmetology programs in public and private non-profit institutions are also subject to GE and included in the totals.
- 3 Fast, Granville & Moultrie (2022).
- 4 Cellini & Goldin (2014).
- 5 Our data is at the institution level and we therefore focus on institutions throughout. However, the GE rule applies to specific programs within institutions. Title IV institutions (by definition) have at least one program that participates in Title IV, but they may also have non-Title IV programs that do not meet requirements for participation (e.g., too few hours are required). In the state of Texas, all cosmetology licensing programs must be 1,000 hours and would meet the minimum hours requirement for Title IV eligibility. For more on cosmetology licensing hours requirements see Acevedo, Blanchard, and Cellini (2022). Programs under 600 clockhours are generally not eligible for Title IV, but may access student loans under section 481(b)(2) of the Higher Education Act of 1965 (20 U.S.C. 1088(b)(2)). As described by Cellini and Blanchard (2021) there are currently 103 programs accessing loans under this provision. About half are cosmetology programs and most are in for-profit institutions. Cellini and Blanchard find that earnings for these short-term cosmetology programs are all below the average of a high school graduate with no college in the U.S.
- 6 Cellini & Goldin (2014).
- 7 Cellini & Goldin (2014).
- 8 Cellini & Goldin (2014).
- 9 Cellini & Goldin (2014).
- 10 <https://www.tdlr.texas.gov/cosmet/schools/apply.htm>
- 11 A previous version of this paper mistakenly identified the total number of counties in Texas as 110, there are 254 counties in Texas. This paper focuses only on the 110 counties in Texas with at least one or more licensed cosmetology or barber school.
- 12 <https://www.salonboutiqueacademy.com/finance> accessed July 26, 2022. We also cross-checked costs with the College Scorecard, which reports similar net costs of \$17,502.
- 13 Distance calculated using addresses entered into Google Maps.
- 13 Tuition and fees were not listed on the website, but were obtained through an email inquiry, July 2022.