**How the salon industry works:**

**There are 3 different salon types:**

1. **Commission salon**
   1. **An owner hires stylists under a commission pay**
      1. **Typical commission rate lies anywhere between 40-60%**
         1. **Sometimes the commission rate will increase during a promotion (i.e. a junior stylist makes 40%, level 1 stylist makes 45%, …., master stylist makes 60%)**
         2. **Sometimes owners will take a “back-bar fee” out of commission to “cover the cost of the products the stylist is using during their work day”**
            1. **i.e. stylists make 50% commission but the salon takes out 10% of the commission to cover the back-bar costs**

**did $1000 in services, made $500 in commission, salon takes $50 out for back-bar, paycheck reflects $450**

* + 1. **Sometimes owners will allow commission on the products that a stylist sells (usually something like 10-15%)**
  1. **Usually there is a front desk staff**
     1. **not every salon has front desk staff, some require their stylists to check in and check out guests**

1. **Booth rent salon**
   1. **Stylist pays rent on a “chair”, the stylist typically buys their own products, does their own taxes, etc**
      1. **Owner of salon does not get any money from the stylist besides rent**
   2. **Owner sometimes provides a common booking system for the whole salon**
2. **Salon suite**
   1. **One or two stylists operate their own business out of a small room that has one or two chairs**
   2. **Pays rent for the room**