The Numbers Behind a Barbershop

A free field guide from Bytell Press. The figures come from our example financial model for a four-chair barbershop that pays its barbers on commission. They are planning assumptions, not quotes for your market; the worksheet at the end is for your own numbers.

Most new barbershops do not fail on the quality of the cut. They fail because nobody worked out how many services a month the shop needs before the lease was signed. This guide gives you that arithmetic in two pages.

1. How the work is priced

The shop is priced **by the service**. The example model uses these lines:

Service line	Model price
Men's or boys' haircut	$25–$45
Kids' or senior cut	$18–$30
Lineup or edge-up, added to a cut	$12–$20
Beard trim, added to a cut	$15–$25
Hot-towel shave or beard sculpt	$30–$45
Retail products	40–50% margin
Blended across the mix	**About $35 a ticket, about 52% gross margin**

On a $35 cut in a commissioned chair, the shop keeps roughly $15 to $16 after the barber's commission, supplies and the card fee. The owner's own chair pays no commission, which lifts the blend to 52%. A $35 cut with a $20 beard trim is a $55 ticket at almost the same chair time.

2. What it costs to open

The example model opens on about **$75,000**: a $50,000 loan plus $20,000 to $25,000 of the owner's money.

Use of funds	Amount
Leasehold build-out (chairs, stations, plumbing, flooring, signage)	$30,000–$50,000
Tools and equipment (clippers, shears, razors, capes, sanitation setup, laundry)	$3,000–$8,000
Working capital and ramp reserve, held as opening cash	$20,000
Total	**About $75,000**

A space that was already a shop can cut the first line sharply. Do not cut the last.

3. What it costs to stay open

The model carries about **$9,018 a month** in fixed cash costs, whether or not a client walks in:

Monthly fixed cost	Amount
Non-labor overhead (rent of about $2,600, insurance, software, utilities, admin, laundry base)	$4,200
Build-out loan payment	$818
Owner draw	$4,000
Total	**$9,018**

Barber pay is not in this table. Commission moves with sales and sits inside the cost of service. Two smaller costs also move with sales: marketing at about 3% of revenue and card processing at about 2.6%.

4. The break-even: the one number to know

Break-even revenue = monthly fixed costs ÷ gross margin.

Because marketing and card fees move with sales, take them off the margin first: 52% less 3% less 2.6% leaves 46.4%. With the model's numbers: $9,018 ÷ 0.464 = about **$19,435 a month**. At a $35 ticket, that is about **555 services a month** before the shop earns anything beyond the owner's draw.

The model's full shop does about 870 services a month, or about $32,000 with retail. The commission split is the biggest driver. If a richer split takes the gross margin down to 46%, break-even rises to about $22,322.

5. The risk is the ramp, not the season

Seasons are mild in the model. The real risk is the opening.

Stage	Monthly revenue	Against the $19,435 break-even
Launch, owner plus one barber	About $9,000	Far below
Slow-fill case	About $26,000	Above
Steady state, after about nine months	About $32,000	Well above

At $9,000 of revenue, the shop keeps about $4,176 after the costs that move with sales. That leaves it about $4,842 short of its fixed costs in that month. The $20,000 of opening cash is there to be used up while the chairs fill. Without it, the same projection runs negative from the first month to the ninth.

6. Your numbers

Fill this in with figures from your own market before you sign a lease.

Question	Model	Yours
Average ticket, with add-ons	$35	_____
Gross margin after commission and supplies	52%	_____
Monthly fixed costs, including your draw	$9,018	_____
Break-even revenue (fixed costs ÷ margin after marketing and card fees)	$19,435	_____
Services a month to break even	555	_____
Opening cash reserve	$20,000	_____

If your break-even needs more services than your chairs can turn fix the plan first: lift the ticket with add-ons, find a cheaper space that needs less build-out, or open with fewer chairs.

This guide is general business information, not legal, tax, accounting or investment advice. The figures are illustrative assumptions from an example model and are not a forecast or a promise of results. Licensing and insurance requirements vary by state and are not covered here; check yours with the state agency.

Bytell Press publishes the full business plan, the editable financial model behind these numbers, and the operating playbooks for a barbershop.

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