The Numbers Behind a Hair Salon Business

A free field guide from Bytell Press. The figures come from our example financial model for a four-chair commission salon with a working owner. They are planning assumptions, not quotes for your market; the worksheet at the end is for your own numbers.

Most new salons do not fail on talent. They fail because nobody worked out how many clients a month the chairs need before the lease was signed. This guide gives you that arithmetic in two pages.

1. How the work is priced

A salon sells by the **service**, and color is the engine. The example model uses these lines:

Service line	Model price
Women's cut and style	$40–$65
Men's cut	$25–$40
Single-process color	$70–$110
Highlights, balayage, dimensional color	$120–$250+
Gloss or toner add-on	$25–$45
Treatments	$25–$75+
Retail products	About 50% gross margin
Blended across the mix	**About $68 a ticket, about 50% gross margin**

The 50% is what is left after the stylist's commission, the product used at the chair and the cost of retail sold. The owner's own pay is not in that margin; it is a draw, shown in section 3. Retail, at about 8% of revenue in the model, adds margin without adding a minute of chair time.

2. What it costs to open

The example model opens on a build-out and equipment package of about **$60,000**, within a range of $40,000 to $150,000 depending on the space.

Use of funds	Amount
Build-out (plumbing, electrical, flooring, mirrors, reception)	$30,000–$50,000
Equipment (stations and chairs, dryers, color bar, software and hardware)	$8,000–$20,000
Opening inventory (color, product, retail stock)	$3,000–$8,000
Working capital	Several months of fixed costs

Do not skip the last line. It keeps rent and payroll paid while the stylists' books fill.

3. What it costs to stay open

The model carries about **$11,850 a month** in fixed costs, whether or not a single client is booked:

Monthly fixed cost	Amount
Rent, utilities, software, insurance, base marketing, laundry and supplies, admin	$5,500
Part-time front desk	$2,200
Build-out and equipment loan payment	$1,150
Owner draw	$3,000
Total	**$11,850**

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

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

With the model's numbers: $11,850 ÷ 0.50 = **$23,700 a month**. At a $68 ticket, that is about **350 client visits a month**, or about 15 a day across all four chairs over 24 operating days. Without the owner draw, the figure is $8,850 ÷ 0.50 = $17,700 a month.

Rent moves this number more than anything else you sign. Every extra $1,000 a month of rent raises the break-even by $2,000 a month.

5. Plan for the slow months before they arrive

The model opens at about $24,000 a month, only $300 above break-even, and grows about 1.5% a month as the stylists' books fill. January and mid-summer run 10–15% below a normal month, and one full chair brings in about $13,000 a month.

Month	Revenue	Against the $23,700 break-even
Slow month, 15% down from $24,000	About $20,400	Below
Opening month	About $24,000	Just above
Chairs filling toward capacity	$30,000–$40,000	Above

An early slow month falls short of break-even but stays above $17,700, so the bills are covered and the owner's draw is what gets squeezed. The fix is to build cash in spring and the year-end holidays, and to fill chairs. In this model profit comes from utilization, not from price.

6. Your numbers

Fill this in with quotes from your own market before you sign anything.

Question	Model	Yours
Blended ticket per client visit	$68	_____
Gross margin after commission and product	50%	_____
Monthly fixed costs, including your draw	$11,850	_____
Break-even revenue (fixed costs ÷ margin)	$23,700	_____
Client visits a month to break even	350	_____
Clients a day in one full chair	8	_____
Retail as a share of revenue	8%	_____

If your break-even needs more clients than your chairs can book in your slowest month, fix the plan before you sign the lease: find cheaper space, lift the ticket with color and add-ons, or sell more retail.

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 hair salon.

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