

Tangled up in Licensing: The Case of Eyebrow Threading

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Occupational licensing laws are designed to protect consumers. Licensing laws regulate a wide range of services from healthcare to trades. In the past, licensing was also ubiquitous in beauty services. At the time of this writing, barbers, cosmetologists, manicurists, and estheticians are licensed in all 50 states. States have begun to reform licensing laws, however, allowing professionals to offer niche beauty services that pose a low risk of harm to consumers. In this policy brief, I focus on eyebrow threading, a safe technique to remove hair that does not use chemicals or sharp objects. Currently, 21 states allow professionals to offer threading services without a license, 18 of them with no professional regulation.

Occupational Licensing

Occupational licensing is the most stringent form of labor market regulation. It has grown from covering around 5 percent of workers in the 1950s to over 20 percent of workers today.¹ Licensing can be thought of as a government permission slip to work. Before legally being allowed to offer services to consumers, a professional must meet certain requirements and apply to the state licensing board. In an effort to protect consumers, occupational licensing laws require applicants to undergo education, gain experience through hands-on training, pass exams, demonstrate good moral character, and meet other requirements. In theory, requiring professionals to demonstrate their ability before practicing by meeting these requirements improves the quality of services for consumers.

However, in practice, economists are unable to find evidence that licensing improves quality.² Licensing creates a floor by preventing low-skilled professionals from practicing and harming consumers. But it also reduces competition-- the requirements designed to ensure quality also act as a barrier to entry, reducing the supply of professionals by up to 27%.³ Not only does this limit quality improvements, it also increases the prices paid by consumers, which goes to the professionals in the form of higher wages.⁴

Regulating Beauty

Beauty services, which includes cosmetology, esthetics, manicurists, and eyebrow threaders, are heavily regulated. Regulations detail specifics about the facilities where the services are provided, in addition to the qualifications of the professionals themselves. Cosmetology, along with barbers, was one of the earliest licensed professions. On average, cosmetology licenses require 1,440 hours of education, \$182 in fees, and 2 exams.⁵ Around 610,000 work as barbers,

¹ Kleiner, Morris M., and Evgeny Vorotnikov. "Analyzing occupational licensing among the states." *Journal of Regulatory Economics* 52 (2017): 132-158.

² House, White. "Occupational licensing: A framework for policymakers." *Report prepared by the Department of the Treasury Office of Economic Policy, the Council of Economic Advisers and the Department of Labor* 7 (2015).

³ Blair, Peter Q., and Bobby W. Chung. "How much of barrier to entry is occupational licensing?." *British Journal of Industrial Relations* 57, no. 4 (2019): 919-943.

⁴ Kleiner, Morris M. "The influence of occupational licensing and regulation." *IZA World of Labor* (2017).

⁵ CSOR database. <https://csorwvu.com/find-occupations/>

cosmetologists, and hairstylists, and 80,500 more work in skincare services as estheticians.⁶ Beauty professions do not require traditional 4-year college degrees, so they offer a path to meaningful work for those with a high school degree. On average skincare specialists earn around \$37,000 per year, slightly more than cosmetologists.⁷

Beauty services covers a range of services to improve the health and look of the skin, hair, and nails. Niche beauty services refer to a subset of simpler tasks from what cosmetologists and estheticians normally provide and pose a lower risk of harm to consumers. They include natural hair braiding, shampooing, hairstyling, and eyebrow threading. Eyebrow threading is a method of removing hair from the eyebrow region that uses a cotton thread to pull out hair from the follicle. Like other niche beauty services, it is often regulated by cosmetology boards. In some states, professionals must be licensed as an esthetician to perform eyebrow threading. In other states, there are specific licensing or registration procedures for eyebrow threading as a separate profession.⁸ A growing number of states allow the practice without any state-issued license and choose less intrusive forms of regulation.

In states that require a license for eyebrow threading, the practice is typically included in an esthetician's practice. To obtain an esthetician license, a professional must undergo an average of 605 hours of education in skin care techniques, which takes around 6 months. However, this varies widely between states; the requirement ranges from 180 hours in Florida to 1,000 hours in Alabama, Georgia, and Kansas. Esthetics programs are less expensive than cosmetology programs, which cost an average of \$16,923, but esthetics programs still typically cost between \$5,000 and 8,000 and often require borrowing to finance.⁹ Because estheticians earn around \$37,000, the borrowing cost for education programs can act as a significant barrier to entry.

Although we do not have research that focuses specifically on eyebrow threading or niche beauty services, there is work on barbers and cosmetologists that can help us understand the effects of occupational licensing.

1. Kleiner (2000): there was little evidence that licensing increased earnings for barbers when compared to bartenders.¹⁰
2. Adams et al. (2002): stricter licensing requirements are linked to higher prices. Deadweight loss occurred from the transactions that did not take place because of the higher prices and reduced supply.¹¹

⁶ Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook*, Barbers, Hairstylists, and Cosmetologists,

at <https://www.bls.gov/ooh/personal-care-and-service/barbers-hairstylists-and-cosmetologists.htm> (visited January 18, 2023); Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook*, Skincare Specialists,

at <https://www.bls.gov/ooh/personal-care-and-service/skincare-specialists.htm> (visited January 18, 2023).

⁷ Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook*, Skincare Specialists, at <https://www.bls.gov/ooh/personal-care-and-service/skincare-specialists.htm> (visited January 18, 2023).

⁸ For instance, Kentucky requires a specialty permit to provide Eyelash Extensions, Makeup Artistry or Threading services, while neighboring Tennessee requires an esthetician license to legally offer eyebrow threading services.

⁹ Menjou, Mindy, Michael Bednarczuk, and Amy Hunter. "Beauty School Debt and Drop-Outs: How State Cosmetology Licensing Fails Aspiring Beauty Workers." *Institute for Justice* (2021).

¹⁰ Kleiner, Morris M. "Occupational licensing." *Journal of Economic Perspectives* 14, no. 4 (2000): 189-202.

¹¹ Adams, A. Frank, John D. Jackson, and Robert B. Ekelund. "Occupational licensing in a "competitive" labor market: The case of cosmetology." *Journal of Labor Research* 23, no. 2 (2002): 261-278.

3. Timmons and Thornton (2010): stricter barber licensing leads to higher pay and fewer barbers.¹²
4. Zapletal (2018): stricter licensing has no impact on wages or supply, but licensing reduces entry into cosmetology and exit from it. States with stricter licensing requirements have more cosmetology teachers and larger schools.¹³
5. Timmons and Thornton (2019): delicensing barbers in Alabama increased the number of barbers, increased the number of barbershops, reduced the number of cosmetologists, and reduced barber earnings.¹⁴

Table 1 shows the licensing requirements for eyebrow threaders in each state. The information was obtained from “Beauty School Debt and Dropouts” from the Institute for Justice,¹⁵ state cosmetology board websites, and state statutes and administrative code. In total 18 states do not require a license to practice eyebrow threading. Additionally, 3 states require simple registration with the cosmetology board and no education requirement, which is much less burdensome than licensing. Of the remaining 29 states, some officially define eyebrow threading as a service for properly licensed estheticians only, while others make no mention, but the board interprets the practice as regulated by the board. Figure 1 shows a map of eyebrow threading requirements.

Since removing the licensing requirement for eyebrow threading, states have not experienced a surge in consumer injuries. So far, we see no evidence of lower quality services or consumer harm resulting from delicensure. While cosmetology professional associations opposed exempting eyebrow threading from licensure, consumer advocacy groups have not recommended relicensing. No states have decided to relicense the practice since removing licensing.

Conclusion

The use of occupational licensing laws as a way to regulate professions has grown substantially in recent decades. However, it is not always appropriate. In recent years, state legislatures have begun to recognize that niche beauty services like eyebrow threading pose little risk to consumers but create a significant barrier to entry for those looking to enter the profession. Currently, 21 states allow professionals to offer eyebrow threading services without obtaining a license, while 29 require them to first obtain a license either as an esthetician or for special services.

Table 1: Licensing Requirements by State

| State | Regulation | State | Regulation |
|----------------|-------------------|-----------------|-------------------|
| Alabama | Registration | Montana | Licensed |
| Alaska | Licensed | Nebraska | None |
| Arizona | None | Nevada | Registration |

¹² Timmons, Edward J., and Robert J. Thornton. "The Licensing of Barbers in the USA." *British Journal of Industrial Relations* 48, no. 4 (2010): 740-757.

¹³ Zapletal, Marek. "The effects of occupational licensing: evidence from business-level data." *British Journal of Industrial Relations* 57, no. 4 (2019): 894-918.

¹⁴ Timmons, Edward J., and Robert J. Thornton. "The Licensing of Barbers in the USA." *British Journal of Industrial Relations* 48, no. 4 (2010): 740-757.

¹⁵ Menjou, Mindy, Michael Bednarczuk, and Amy Hunter. "Beauty School Debt and Dropouts: How State Cosmetology Licensing Fails Aspiring Beauty Workers." Institute for Justice Report. 2021

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| Arkansas | Licensed | New Hampshire | Licensed |
| California | None | New Jersey | Licensed |
| Colorado | None | New Mexico | None |
| Connecticut | Licensed | New York | Licensed |
| Delaware | Licensed | North Carolina | Licensed |
| Florida | Licensed | North Dakota | None |
| Georgia | Licensed | Ohio | Registration |
| Hawaii | Licensed | Oklahoma | Licensed |
| Idaho | Licensed | Oregon | Licensed |
| Illinois | Licensed | Pennsylvania | Licensed |
| Indiana | None | Rhode Island | Licensed |
| Iowa | None | South Carolina | Licensed |
| Kansas | None | South Dakota | Licensed |
| Kentucky | Licensed | Tennessee | Licensed |
| Louisiana | Licensed | Texas | None |
| Maine | None | Utah | None |
| Maryland | None | Vermont | Licensed |
| Massachusetts | Licensed | Virginia | Licensed |
| Michigan | None | Washington | Licensed |
| Minnesota | None | West Virginia | None |
| Mississippi | None | Wisconsin | None |
| Missouri | Licensed | Wyoming | Licensed |

Figure 1: Licensing Requirement Map

