State of Georgia
Barber and Beauty Shops Survey
September 1998

U.S. Department of Labor
Bureau of Labor Statistics
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This summary provides results of a September 1998 survey of occupational pay in barber and beauty shops in the State of Georgia. This study was conducted by the Bureau of Labor Statistics at the request of the Employment Standards Administration, U.S. Department of Labor, for use in administering the Service Contract Act of 1965.

Employer paid hourly wage rates for occupational classifications in barber and beauty shops are presented in table 1 of this summary. Included are separate earning data for full-time and part-time employees. Table 2 provides average hourly earnings and the percent of earnings that are received as tips. The workers within the scope of this study are nonsupevisory workers. Excluded are owners, self-employed barbers and beauticians (including those who rent chairs as independent contractors), and teachers and trainees at barber and beauty schools. Also contained in this summary is a technical note describing survey procedures and information on the number of establishments and workers studied.

The survey could not have been conducted without the cooperation of the many private establishments that provided pay data included in this summary. The Bureau thanks these respondents for their cooperation.

Survey data were collected and reviewed by Bureau of Labor Statistics field economists. The Office of Compensation and Working Conditions, in cooperation with the Office of Field Operations and the Office of Technology and Survey Processing in the BLS National Office, designed the survey, processed the data, and analyzed the survey results.

Where to find more information

For additional information regarding this survey, including a list of occupational classifications, please contact the BLS Atlanta Regional Office at (404) 331-3415. You may also write to the Bureau of Labor Statistics at: Division of Compensation Data Analysis and Planning, 2 Massachusetts Avenue, NE, Room 4175, Washington, DC 20212-0001, or telephone (202) 606-6220, or send e-mail to ocltinfo@bls.gov. The data contained in this summary are also available on the Internet's World Wide Web through the BLS site (**http://stats.bls.gov/comhome.htm**).

Table 1. Employer paid hourly earnings[1] for selected occupations, barber and beauty shops[2], Georgia, September 1998

Occupation	Number of workers	Mean	Percentiles				
			10	25	Median 50	75	90
All workers[3]							
Barbers	–	–	–	–	–	–	–
Beauticians	2,405	$12.07	$6.30	$7.50	$9.98	$14.00	$20.00
Full-time workers[3]							
Barbers	–	–	–	–	–	–	–
Beauticians	1,258	12.92	6.88	8.00	10.57	14.84	22.72
Part-time workers[3]							
Barbers	–	–	–	–	–	–	–
Beauticians	1,147	10.47	6.29	6.95	8.72	11.73	17.10

[1] Earnings are the straight-time hourly earnings or salaries paid to employees. They include incentive pay and cost-of-living adjustments. Excluded are premium pay for overtime, vacations, holidays, nonproduction bonuses, on-call pay, and tips. The mean is computed by totaling the pay of all workers and dividing by the number of workers, weighted by hours. The 10th, 25th, 50th, 75th and 90th percentiles designate position in the earnings distribution. At the 50th percentile, the median, half of the workers receive the same as or more than the rate shown, and half receive the same as or less than the rate shown. At the 25th percentile, one-fourth of the workers earn the same as or less than the rate shown. At the 75th percentile, one-fourth earn the same as or more than the rate shown. The 10th and 90th percentiles follow the same logic.

[2] The *1987 Standard Classification Manual* was used in classifying establishments.

[3] All workers include full-time and part-time workers. Employees are classified as working either full-time or a part-time schedule based on the definition used by each establishment. Therefore, a worker with a 35-hours-per-week schedule might be considered a full-time employee in one establishment, but classified as part-time in another firm, where a 40-hour week is the minimum full-time schedule.

NOTE: Dashes indicate that no data were reported or that data did not meet publication criteria. IN THIS SURVEY, THE NONRESPONSE RATE FOR THE BARBER INDUSTRY AND BEAUTICIAN INDUSTRY EXCEEDED REGULAR SURVEY STANDARDS FOR PUBLICATION. ACCORDINGLY, USERS SHOULD INTERPRET THESE RESULTS WITH THIS LIMITATION IN MIND.

Table 2. Average hourly earnings[1] for selected occupations, barber and beauty shops[2], Georgia, September 1998

Occupation	Total average hourly earnings	Percent received as tips[3]
All workers[4]		
Barbers	–	–
Beauticians	$14.49	17
Full-time workers[4]		
Barbers	–	–
Beauticians	15.97	19
Part-time workers[4]		
Barbers	–	–
Beauticians	11.51	9

[1] Earnings are the straight-time hourly earnings or salaries paid to employees plus estimated hourly tips. Earnings include incentive pay and cost-of-living adjustments. Excluded are premium pay for overtime, vacations, holidays, nonproduction bonuses, and on-call pay. Average earnings are computed by totaling the pay of all workers and dividing by the number of workers, weighted by hours.

[2] The *1987 Standard Classification Manual* was used in classifying establishments.

[3] Estimates are based on only those workers for whom information was obtained. For procedures used in estimating tips, see appendix.

[4] All workers include full-time and part-time workers. Employees are classified as working either full-time or a part-time schedule based on the definition used by each establishment. Therefore, a worker with a 35-hours-per-week schedule might be considered a full-time employee in one establishment, but classified as part-time in another firm, where a 40-hour week is the minimum full-time schedule.

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Appendix: Technical Note

Survey planning

Survey scope

This survey of barber and beauty shops in the State of Georgia covered barber shops employing 1 or more workers (industry 724 as defined in the 1987 edition of the *Standard Industrial Classification Manual*) and beauty shops employing 10 workers or more (industry 723).

The list of establishments from which the survey sample was selected (sampling frame) was developed from the State unemployment insurance reports. The reference month of the sampling frame was June 1997. The sampling frame was reviewed prior to the survey, and when necessary, missing establishments were added, out-of-business and out-of-scope establishments were removed, and addresses, employment levels, industry classification, and other information were updated.

Sample design

The sample for this survey area was selected using a stratified design with probability proportional to employment. The sample of establishments was drawn by first stratifying the sampling frame by industry. The number of sample establishments allocated to each stratum is approximately proportional to the stratum employment. Use of this technique means that the larger an establishment's employment, the greater its chance of selection. Weights were applied to each establishment when the data were tabulated so that the sample units within each sampling stratum represent all units in the stratum, both sampled and nonsampled.

Data collection

BLS field economists collected the data. They contacted each establishment, primarily by telephone. Wage data were collected for all workers who met the characteristics of the specific occupations studied. Classification of workers by occupation was based on a uniform set of job descriptions designed to take account of variation among establishments in duties within the same occupation. The job descriptions used in the survey are available upon request.

Collection period

The survey was collected from August 1998 to November 1998. The average payroll month of reference was September 1998. For each establishment in the survey, the data reflect the establishment's practices on the day of collection.

Employer paid earnings

Employer-paid earnings were defined as regular payments from the employer to the employee as compensation for straight-time hourly work, or for any salaried work performed. The following components were included as part of earnings:

- Incentive pay, including commissions, production bonuses, and piece rates
- Cost-of-living allowances
- Hazard pay
- Payments of income deferred due to participation in a salary reduction plan
- Deadhead pay, defined as pay given to transportation workers returning in a vehicle without freight or passengers.

The following forms of payments were *not* considered part of straight-time earnings:

- Shift differentials, defined as extra payment for working a schedule that varies from the norm, such as night or weekend work
- Premium pay for overtime, holidays, and weekends
- Bonuses not directly tied to production (e.g., Christmas bonuses, profit-sharing bonuses)
- Uniform and tool allowances
- Free room and board
- Payments made by third parties (e.g., tips,)
- On-call pay.

Customer tips

Establishments whose annual gross volume of sales was $500,000 or more, or were considered engaged in interstate commerce, are covered by the Fair Labor Standards Act (FLSA). These employers must pay the minimum wage of $5.15 an hour. Additionally, if employees of such establishments are considered tipped employees, the employer must pay at least $2.13 an hour in direct wages and must be able to show that employees receive the minimum wage of $5.15 an hour when direct wages and tips are combined. Tipped employees were defined as those workers who regularly receive more that $30 per month in customer tips. Employers must also make up the difference if direct wages and employee tips do not equal the minimum wage.

The published estimates of the average hourly tips received by employees by customers were obtained from establishment officials. Tip information for individual employees was the preferred method of collection, but occupational averages were accepted when individual tip information was unavailable.

Processing and analyzing the data

Weighting and nonresponse

Sample weights were calculated for each establishment in the survey. These weights reflected the relative size of the establishment within the sample universe. Weights were used to aggregate the individual establishment into the various occupational series.

Of the establishments surveyed, 45.7 percent refused to supply employer provided earnings information. If data were not provided by a sample member, the weights of responding sample members in the same or similar "cells" were adjusted to account for the missing data. This technique assumes that the mean value of the nonrespondents equals the mean value of the respondents at some detailed "cell" level. Responding and nonresponding establishments were classified into these cells according to industry and employment size.

Establishments that were determined to be out of business or outside the scope of the survey (2.1 percent of the total sample) had their weights changed to zero.

Estimation

The wage series in the tables are computed by combining the wages for individual establishments. Before being combined, the wage rate of each worker was weighted by the sample weight adjusted for nonresponding establishments.

A sample of 94 establishments employing 2,769 workers was selected to represent 309 establishments employing 5,240 workers, the estimated total of establishments and workers in the barber and beauty shop industries in the State of Georgia. The estimated number of total and sampled workers includes those occupations specifically studied, as well as workers in all other occupations in the industries.

For 88 percent of barbers and beauticians, employers providing earnings information were unable to provide data on customer tips paid to their employees. Tips included in total earnings in table 2 were calculated using only those workers where data was available. It was assumed that that the overall percentage of total earnings received as tips among workers for whom tip information was not available was equal to the overall percentage of total earnings received as tips among the workers for whom tip information was collected.

Not all series that were calculated met the criteria for publication. Before any series was published, it was reviewed to make sure that the number of observations underlying it was sufficient. This review prevented publishing a series that could have revealed information about a specific establishment.

Data reliability

The data in this summary are estimates from a scientifically selected probability sample. There are two types of errors possible in an estimate based on a sample survey, sampling and nonsampling.

Sampling errors occur because observations come only from a sample and not from an entire population. The sample used for this survey is one of a number of possible samples of the same size that could have been selected using the sample design. Estimates derived from the different samples would differ from each other. Sampling errors were not computed for this survey.

Nonsampling errors also affect survey results. They can stem from many sources, such as inability to obtain information for some establishments, difficulties with survey definitions, inability of the respondents to provide correct information, or mistakes in recording or coding the data obtained. A Technical Reinterview Program done in all survey areas will be used in the development of a formal quality assessment process to help control the magnitude of nonsampling error. Although they also were not specifically measured, efforts were made to minimize nonsampling errors by the extensive training of the field economists who gathered the survey data, computer edits of the data, and detailed data review.