

An Economic Impact Assessment of the Hair and Beauty Sector on the UK Economy in Wales



General Statistics



2,424
Businesses

86%
10,730



14%
1,736

Out of
15,247
employed
in the sector

1,820
are apprentices



Economic Benefit

The value of the sector to the economy is between

£194m - £237m

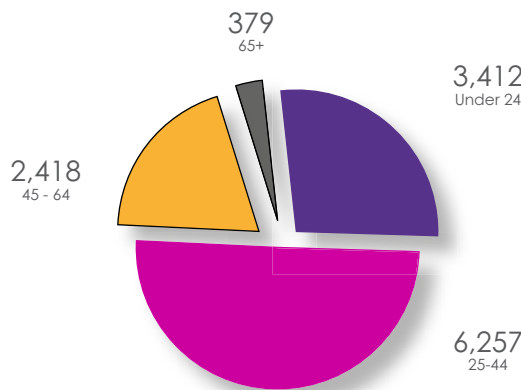


GVA per worker
£15,548

average UK £19,398



Profile of Sector



Business owners under 25 in sector is double UK average



Education, Skills & Entrepreneurship

2% Level 4

31% Level 3

Level 2 **67%**

Demand from employers has resulted in a Level 4 Higher Apprenticeship in both Hairdressing and Beauty



1,820
apprentices

UK Recommendations

1

The Hair and Beauty Sector is a significant employer, contributing a large number of businesses to the national economy. To ensure the future health of the sector, it is important that services continue to be provided to the highest possible standard and that consumers are afforded adequate protection.

We recommend that the Government introduces mandatory licencing of hair dressers, barbers and the beauty sector throughout the UK.

2

The Government's Industrial Strategy and the subsequent Creative Industries Sector Deal, recognised the creative industries as an 'undoubted strength of our economy'. The Hair and Beauty Sector shares many attributes, such as high levels of entrepreneurialism and global standing, with other sectors represented in the deal such as fashion.

To effectively build on the UK's creative strengths, the Hair and Beauty Sector should be rightly recognised as a creative industry by the UK Government and as a Foundational economy sector in Wales and given the associated support it needs to continue to thrive.

3

The Hair and Beauty Sector offers exciting and fulfilling careers, with extensive opportunities and career prospects for skilled practitioners. The potential benefits and rewards of a career in the sector should be better understood by careers advisers, teachers and those formulating policy.

We call upon the Government to improve careers advice to accurately represent the realities and excellent professional opportunities available. We also call on Ministers and policymakers to reflect this in the comments they make about careers in the sector.

4

Although this research highlights the direct contribution of the Hair and Beauty Sector in terms of GVA and employment, there remains a lack of data on the broader contribution the sector makes to the high street

We therefore recommend that the Governments should commission detailed primary research into the value of the Hair and Beauty Sector. This should gather primary data from businesses on the direct, indirect and induced impact of the sector in terms of business expenditure, GVA and employment.

5

There is a lack of data available at UK level that fully examines the profile of the Hair and Beauty Sector and does not capture small businesses that are not PAYE or VAT registered. The report was therefore based on the most robust secondary data available as well as primary research undertaken with the sector in Wales.

To gain a more comprehensive understanding of the sector, particularly small businesses and sole traders, we recommend that the Government commissions' UK-wide primary research with hair and beauty employers.

6

Official GVA statistics are published for broad industry categories and do not provide the level of granularity required for regular analysis of the Hair and Beauty Sector's contribution to the economy.

We recommend that the Government asks the Office for National Statistics (ONS) to routinely publish more detailed GVA statistics for the Hair and Beauty Sector.