

A close-up photograph of a metal ruler that has been broken in two. The ruler is silver-colored with black markings and numbers. The break is jagged and runs diagonally across the center of the frame. A bright, glowing red light emanates from the point where the ruler is broken, creating a dramatic effect. The ruler is set against a dark, almost black background.

**Protecting Our Future:  
The Proposed Gainful Employment  
Rule & How You Can Help**

**Ryan Claybaugh COO, Paul Mitchell  
Advanced Education April 30, 2026**

# The Professional Beauty Industry is an Economic Powerhouse

**\$100 Billion+**

Annual economic activity generated  
by the salon and beauty industry.

**1.3 Million**

Direct jobs supported across  
the United States.

**83% to 89%**

Share of the workforce that is female  
(compared to 47% nationally).

**Flexible**

Flexible, AI Resistant, Entrepreneurial

# GAINFUL EMPLOYMENT: WHAT DOES THIS EARNING METRICS LOOK LIKE?

- ALL CERTIFICATE PROGRAMS REQUIRE GRADUATES' EARNINGS EXCEED COMPLETERS OF HIGH-SCHOOL ONLY
- IT WILL USE MEDIAN EARNINGS OF PROGRAM GRADUATES WHICH MUST EXCEED MEDIAN EARNINGS TO GRADUATES OF HIGH SCHOOL AGES 25-34 (THIS IS 7-16 YEARS AFTER COMPLETION).
- THE BENCHMARKS WILL BE ON A STATE-BY-STATE BASIS.
- IF A PROGRAM FAILS ANY TWO OUT OF THREE YEARS, PROGRAMS WILL LOSE ELIGIBILITY TO FEDERAL STUDENT LOANS.
- TIMELINE:
  - JULY 2026 RULE IS PUBLISHED
  - JULY 2027 IF RULE IS UNCHANGED, 1ST YEAR THE METRICS ARE CALCULATED
  - JULY 2028, 2<sup>ND</sup> YEAR THE METRICS ARE CALCULATED (2 STRAIGHT FAILS = LOSS OF STUDENT FUNDING FOR PROGRAM)

**ANY STANDARD THAT PURPORTS TO MEASURE PROGRAM VALUE BUT THAT WOULD DISQUALIFY 92.5% OF A SPECIFIC PROGRAM TYPE FROM FEDERAL STUDENT FINANCIAL AID IS FUNDAMENTALLY FLAWED. ————— AACSB LETTER TO SECRETARY MCMAHON**

## Statutory Overreach: This rule was never meant for certificates

**The Congressional Mandate:** The One Big Beautiful Bill Act (OBBA) explicitly directed the Department to apply the accountability framework to undergraduate degree, graduate degree, and graduate certificate programs.

**The Overreach:** Congress intentionally excluded undergraduate nondegree/certificate programs (like cosmetology). The Department of Education expanded the rule to include them via regulatory fiat.

...apply the accountability framework to Undergraduate Degree, Graduate Degree, and Graduate Certificate programs

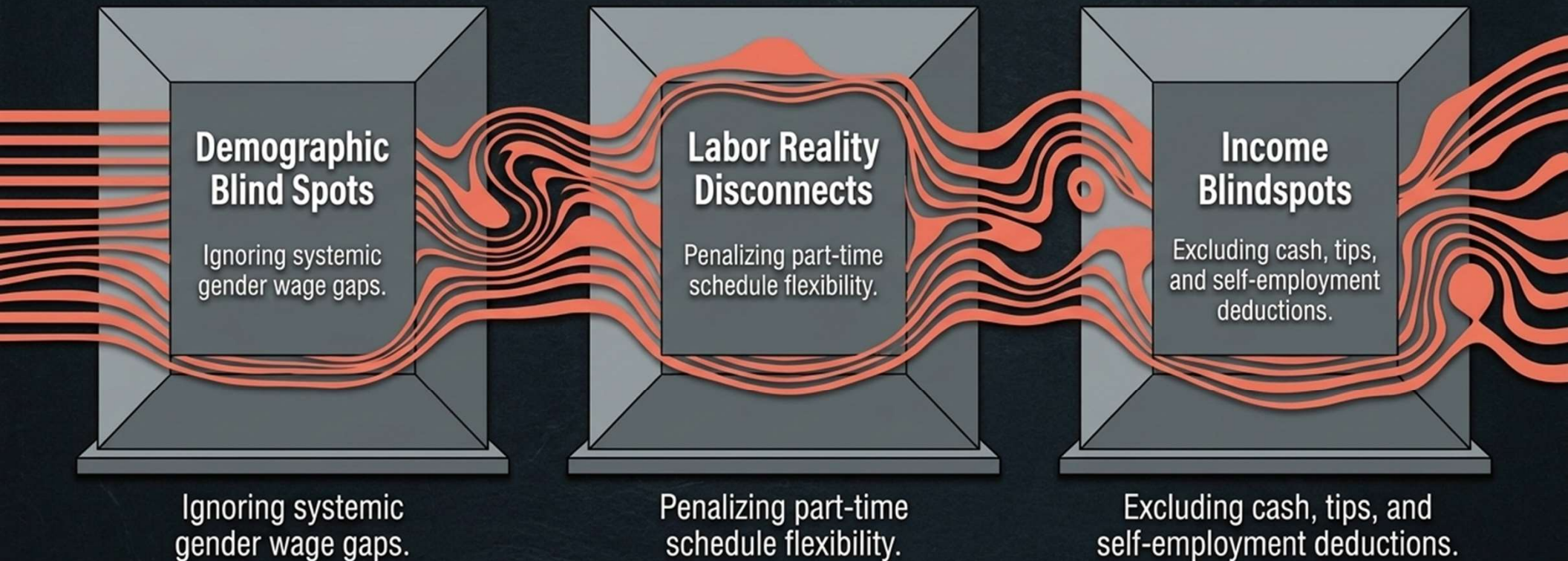
Undergraduate Certificate  
Graduate Certificate programs.

**ULTRA VIRES / AGENCY OVERREACH**





**“Regulatory overreach in this area undermines both legislative intent and institutional stability. — Rep. Paul Gosar**

# A 92.5% failure rate is an indictment of the formula, not the industry

The Department of Education assumes that failing programs represent poor educational value. However, a data-driven analysis reveals that the Earnings Premium metric is mathematically incompatible with the economic realities of a female-dominated, flexible, tip-based industry.

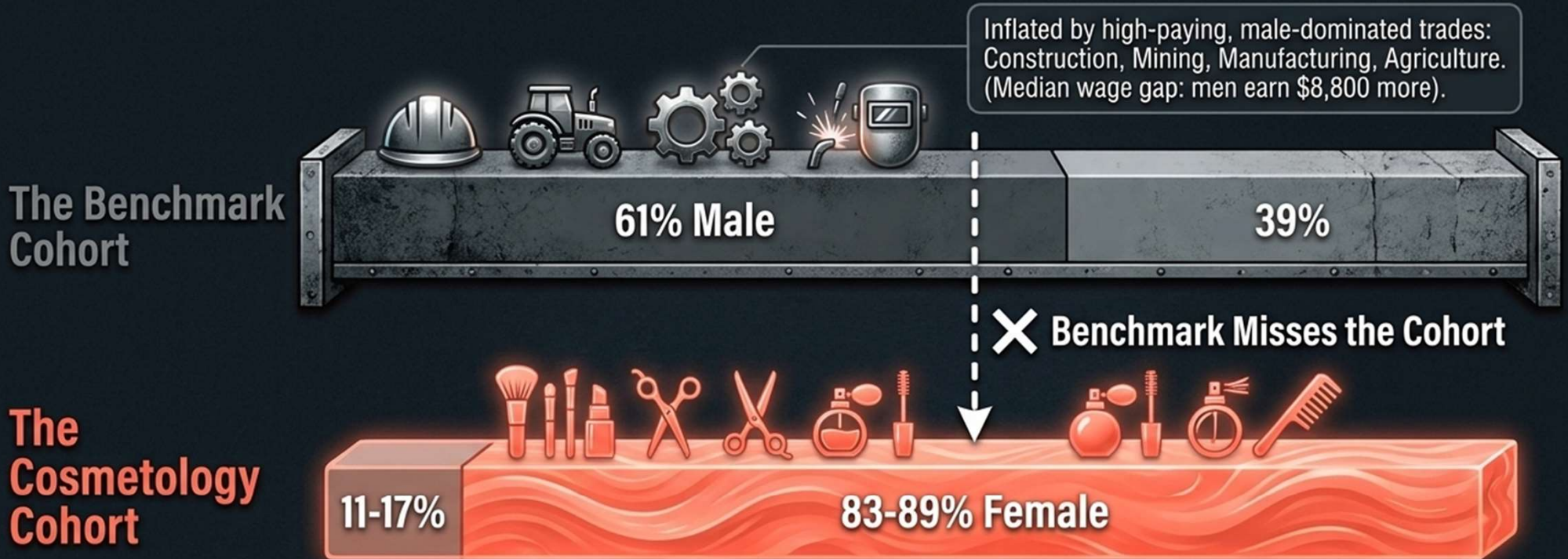


# The Imagined Worker **versus** The Actual Professional

Measurement Dimension	ED Assumption	Industry Reality
Baseline Demographic	Male-skewed baseline (57-61% male labor force).	85%+ Female workforce. 
Work Schedule	Standard 40-hour work week.	24.3 to 27.8 hours per week (by choice). 
Compensation Structure	100% W-2 trackable wage income.	Heavily tip-based and self-employed (50% sole proprietors). 
Career Timeline	Measured against 7-16 years of work experience.	Measured at exactly 4 years post-graduation. 

# Flaw 1: The Gender Trap relies on an apples-to-oranges benchmark

The Earnings Premium sets the benchmark using working adults aged 25-34 with only a high school diploma.



Female graduates earn significantly less than males at both credential levels... The metric punishes beauty schools for the systemic, society-wide gender wage gap. — Lightcast Report, 2025

# Comparing **entry-level** professionals to **established veterans**

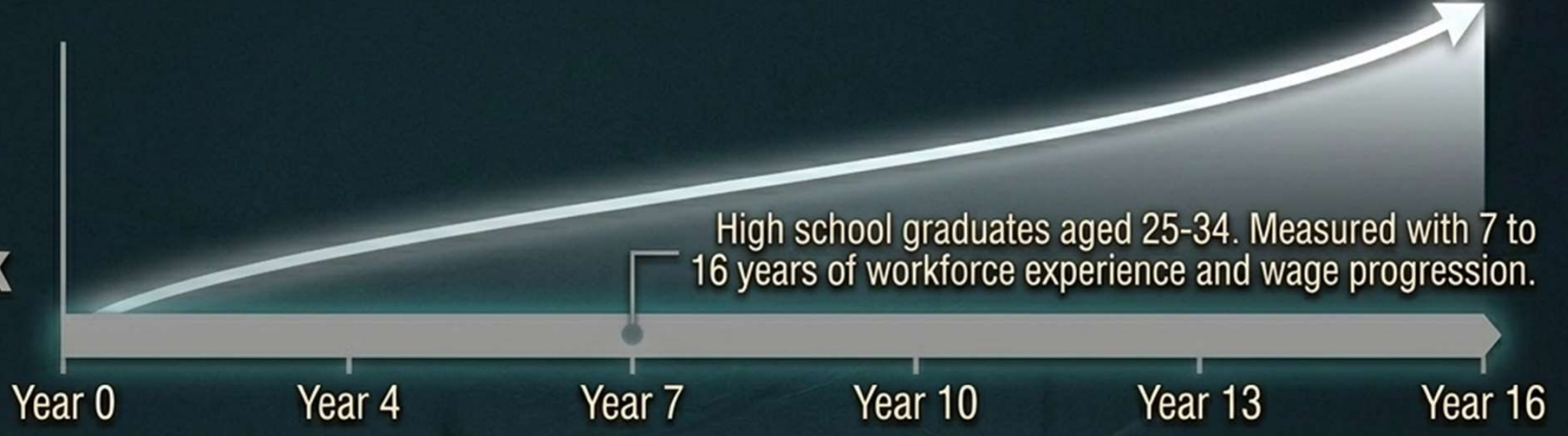
## The **Cosmetology Cohort**



Measured at exactly 4 years post-graduation. Newly licensed, building their client book, carrying initial startup costs.



## The **Benchmark Cohort**

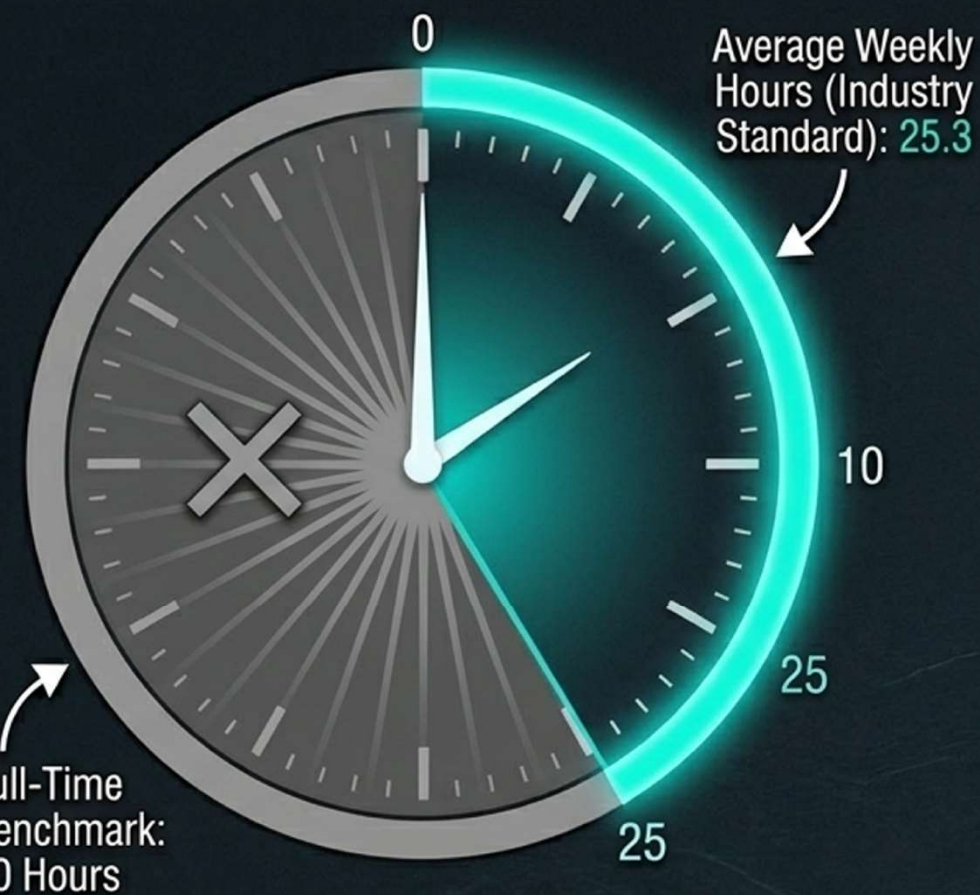


High school graduates aged 25-34. Measured with 7 to 16 years of workforce experience and wage progression.

It is reasonable to expect that many graduates... will realize higher earnings over time, not immediately after program completion. — **Rep. Paul Gosar**

## Flaw 2: Penalizing flexible schedules and part-time choices

The Earnings Premium makes no adjustment for hours worked. It compares a full-time benchmark to an industry where part-time work is the standard.



**BLS Data:** The average weekly hours for personal care services is 25.3 hours.



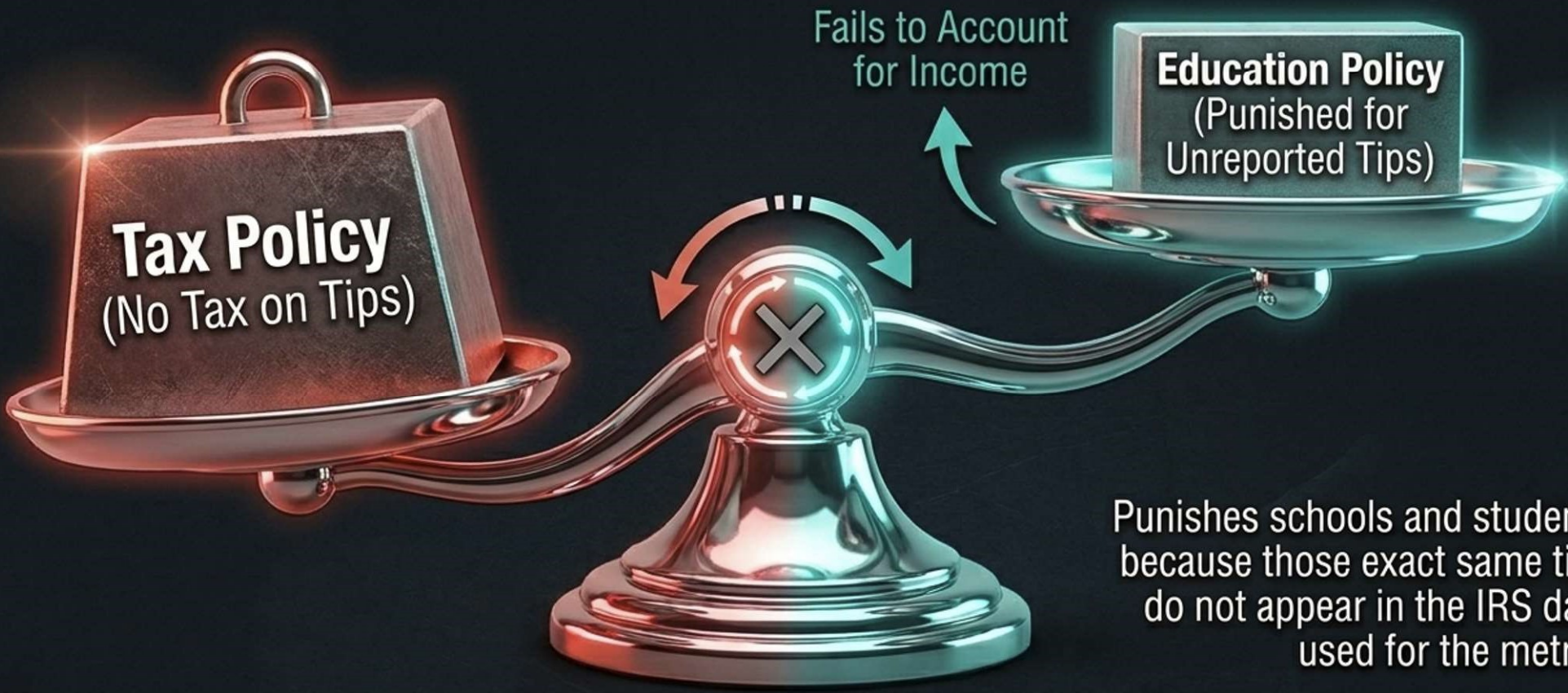
**Qnity Study:** 99% of salon employers offer schedule flexibility.



**The Why:** 89.3% of cosmetologists are women; the industry offers vital control over work schedules for single mothers, caregivers, and those balancing family life.

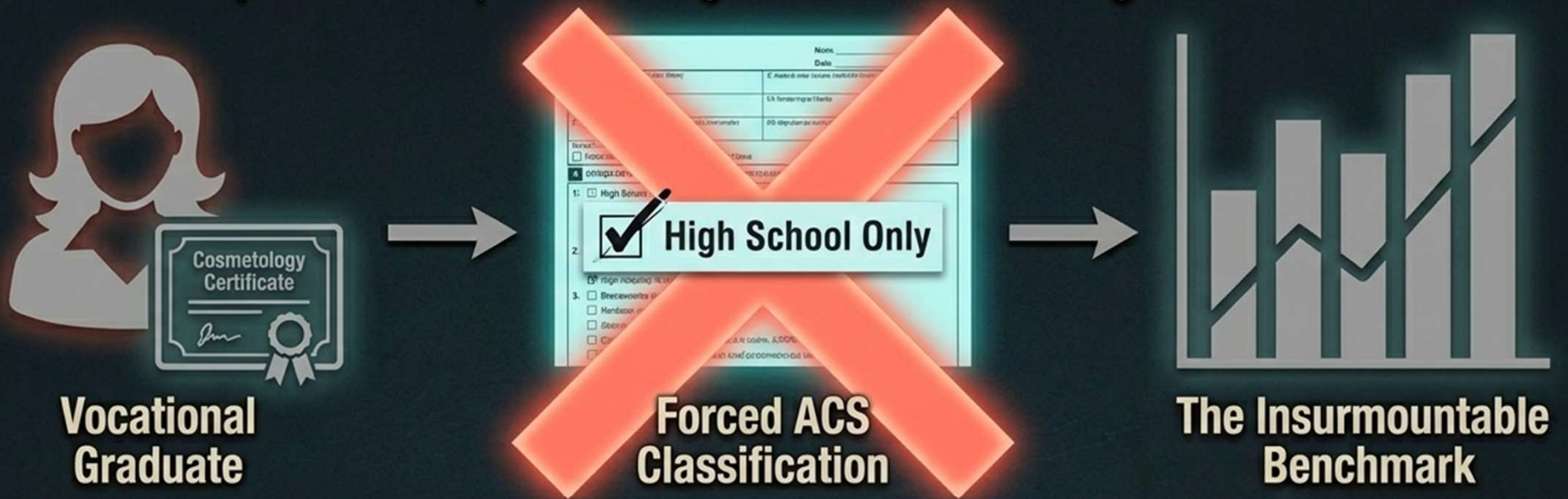
# Flaw 3: The massive blind spot of **tips** and **self-employment**

IRS administrative data systematically understates the true income of beauty professionals. Tips make up a massive portion of take-home pay but are notoriously underreported.



## Flaw 4: The Benchmark Illusion (An invalid control group)

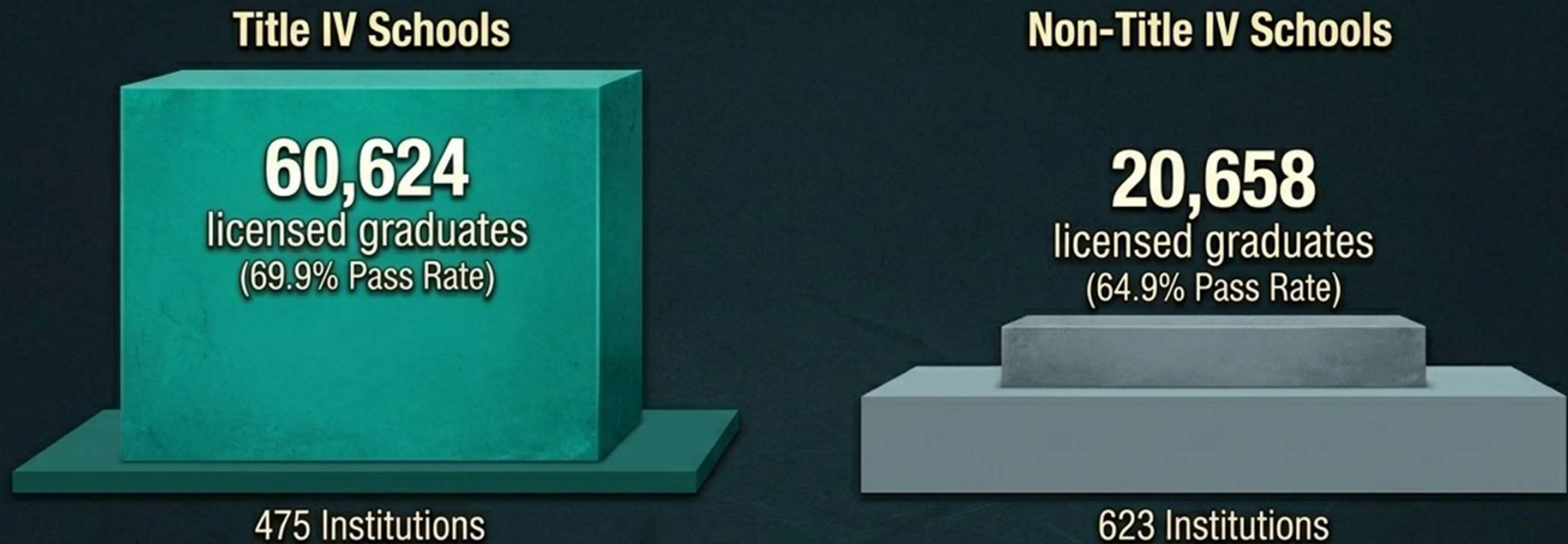
The American Community Survey (ACS) explicitly instructs respondents with vocational certificates or diplomas to report their highest education as High School Graduate.



- The Department of Education's High School Graduate benchmark secretly includes hundreds of thousands of beauty, technical, and trade school graduates.
- Therefore, the rule requires beauty schools to mathematically outperform their own graduates.

# The False Savior: Non-Title IV schools cannot absorb the demand

Critics claim non-Title IV schools drive outcomes and can easily replace accredited programs. The Actel Advisory Group Data (2024-2025 Analysis of CA, TX, IL, AZ, VA, MD) proves otherwise.



**Conclusion: Title IV schools are the backbone of the workforce. Shutting them eliminates ~75% of the licensed pipeline.**

## **How to Submit a Public Comment (Super Simple)**

- 1. Go to [regulations.gov](https://www.regulations.gov)**
- 2. Search: ED-2026-OPE-0100**
- 3. Click the big blue “Comment” button**
- 4. Write or paste your comment (max 5,000 characters) OR prepare your comments on a separate document and attach as a file**
- 5. Submit by May 20, 2026**
- 6. Save your tracking number!**

**It takes 10-15 minutes. Every single comment matters-  
Department of Education has to read them all.**

## **Ideas on What to Include in Your Comment**

- 1. Who are you and what is your role in the beauty industry?**
- 2. Share your story on your first 4 years in the industry?**
- 3. If you intentionally work part-time or flexible hours, provide the why?**
- 4. What realities of beauty careers does the metric miss? (part-time, tips, client-building, etc.)**
- 5. What bigger impact will this have on the industry, students, and communities?**
- 6. How does the proposed rule unfairly penalize a female-dominated profession?**

**Be honest, personal, and polite.**

**Your real-life story is more powerful than any statistic.**

# Call to Action

1. **Submit your comment by May 20**
2. **Share this with every stylist, student, salon owner, and colleague you know and encourage them to submit their own comment.**
3. **Additional resources to help write comments:**

<https://myaacs.org/submit-your-comment/>

<https://www.mysecretimpact.com/>

**This is our moment. Your voice matters. Let's protect the industry that gave so many of us opportunity.**