

## **Recommendations for Feasibility Study for New Campuses**

This document is a tool for NACCAS school owners to use to help determine whether opening a new campus, as either a main campus or an additional location, is viable and right for them. The Study is designed to assist with looking at specific variables to help determine whether or not opening a campus in a specific area/location would be effective, efficient and in-line with the school owner's proposed over-all business plan and objectives.

As this is intended as a guide for the school owner, as outlined above, NACCAS will not use any of the information in the study in its determination to approve or deny an application for accreditation; rather it was designed to assure NACCAS that the school owner did do its-due diligence prior to making its final decision to move forward.

### **Guidelines and Recommendations**

A rule of thumb is that one-half of one percent (i.e. 0.5%) of females 18-24 years old in your trade area will attend beauty school. This is based on the following:

- Overall number of cosmetologists employed as a percentage of employed persons, according to the Bureau of Labor Statistics,
- Industry statistics showing the majority of beauty school students are in that demographic group.

There are four main steps in researching your trade area to determine if there is likely to be sufficient demand for a school or additional school:

1. Use **Google Maps** to research existing beauty schools within your trade area.
2. Use **USNaviguide** (<http://www.usnaviguide.com/>) to determine which Zip Codes are in your trade area.
3. Use **College Navigator** to determine the population of those existing schools.
4. Use the **U.S. Census Bureau** database to determine the population of 18-24 year old females within your trade area.
5. **Compare the existing schools student population to the estimated number of females 18-24 years old in your trade area who may attend beauty school**, based on the rule of thumb discussed above.

### **Google Maps**

- Your trade area is the geographic area where the majority of your students are located, meaning that at least 80% of students will come from that area. Beauty schools generally have a trade area of no more than 10-15 miles around the school.
  - If you are in a densely populated area, your trade area may only be 5 miles in any distance from your school.
  - If your school is in a less densely populated area, the trade area could be as large as 20 miles in every direction.

- You can use Google Maps to determine the trade area and find beauty schools already in the area.
- Visit [www.google.com/maps](http://www.google.com/maps) and position the map so that the location of your school is in the center of your screen. There is a scale at the bottom of Google Maps, indicating distances. Use that scale to adjust the map so that the distance from your school to the right and left edges of the map are roughly 10 to 15 miles. You can adjust that for population density as determined by your area.
- Type “beauty schools” into the search box, and the map will display schools as both a red-circle-with-a –graduation-cap and with red dots. This is based on Google’s data, which is a good start but may not be precisely accurate. College Navigator will provide you with additional schools offering cosmetology in your area.

### **USNaviguide**

- You will need to determine the Zip Codes in your trade area in order to research the population of females 18-24 years old.
- A good method of determining the zip codes is by first printing the Google Map from above and then visiting the site <http://www.usnaviguide.com/>
- On this site, move around the map and resize it so that center the location of your school is again in the center of your screen. Then resize the map so that it is generally covering the same trade area as the Google Map you printed. Roads and town names are visible below the colored layer of zip codes, to help you get the scale/sizing of the maps similar.
- Create a list of zip codes. A good rule of thumb is if most of the zip code is visible, include that zip code on your list; if only part of the zip code is on the map, leave the zip code off. Note that you may from time to time need to zoom in for the zip code to be visible on the map; remember to readjust the scale to your starting point after you have zoomed in, in order to capture all of the zip codes in your trade area.

### **College Navigator**

- College Navigator will provide population information on all schools offering cosmetology in your trade area. Visit <http://nces.ed.gov/collegenavigator/>
- Start by clicking on the box “Browse for Programs”, and then “cosmetology” in the search box. Click on the “+add” buttons to add all appropriate results, then close the box.
- Select “Certificate” for Level of Award.
- Enter the zip code of your school, set the “Miles from” at 5, 10, 15 or at most 20 miles.
- Click on each school listed to determine population. Note that for schools offering programs in addition to cosmetology, once you have clicked and reached the information about that school, you will need to expand the “+” by “Programs/Majors” to determine the cosmetology-only population.
- Please note that this also may not include all schools, since the data appears for main campuses only. You can review web sites of others shown on the Google Maps and perhaps obtain information on the school’s physical size, as a proxy for population.

### **U.S. Census Bureau**

- Visit Census.gov. In top navigation, select Data.
- From Data, select Data Tools and Apps.
- On Data Tools and Apps pages, select The American Fact Finder.
- On the American Fact Finder, select Advanced Search, then press button “Show Me All”.
- In blue boxes on left, you will select from the top two boxes: Topics and Geographies.
- In Topics, open the People category, and then Age & Sex.
- Click on Age and then Sex, and they should be shown as added to the box at top left titled Your Selections. Then Close the Topics box.
- In Geography, under the List Tab, first choose “select from most requested geographic types”.
- Then in the drop down box immediately below, reading “Select a geographic type”, select “5-Digit Zip Code Tabulation Area-860”.
- Select your state from the drop down box.
- A list of all Zip Codes within the state will be generated, then as indicated select one or more geographic areas and click Add to Your Selections. You can select the multiple zip codes you need by holding down the “Control” key on your keyboard and clicking on as many Zip Codes as comprise your trade area.
- Close the Geographies box.
- In the Search Results in the middle of the page, select “Sex by Age” in the column “Table, File or Document Title”.
- The statistics are then generated, and allow you to download or print the resulting table. Simply add the Estimated Females in the Ages 18 and 19 years, 20 years, 21 years, and 22 to 24 years for all of the zip codes to determine your target area population.

### **Comparison of Existing Schools to Total Population**

- After adding the Estimated Females in the Ages 18 and 19 years, 20 years, 21 years, and 22 to 24 years for all of the zip codes (the final step in the above section), multiply that total by 0.5%. The result provides the estimated number of females 18-24 years old in your trade area who may attend beauty school, based on the rule of thumb discussed at the beginning of this document.
- Compare that to the total population already enrolled in cosmetology programs, as you determined through your search of College Navigator (keep in mind that not all schools may be reported through College Navigator).
- If the student population at schools already in the area is less than the calculation of females 18-24 years old in your trade area who may attend beauty school, that demonstrates a possibly unserved market need in your area.