

UK Beauty Industry Suffers as Labour Tax Plan Cuts Jobs

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The UK beauty industry is facing sharp job losses, with 14,000 roles expected to go this year alone due to recent tax hikes introduced by the Labour government. The findings come from Oxford Economics, which forecasts a two per cent decline in employment across the sector during 2025.

Once considered a post-pandemic success story, the industry was worth £30.4 billion last year and supported 697,000 jobs, according to data from the British Beauty Council. That recovery is now being undone by rising operational costs driven by government policy.

In April, Chancellor Rachel Reeves implemented a rise in employer National Insurance, alongside a steep increase in the minimum wage. These changes have placed particular strain on employee-heavy industries such as hair and beauty, which are largely made up of small businesses and independent operators.

Millie Kendall, chief executive of the British Beauty Council, strongly criticised the impact of these measures, stating:

“The Government talks about aiming for growth, but, unfortunately, its actions have caused exactly the opposite. It is a shame, as we had the momentum to produce exactly what they want, as well as help rescue the high street. But placing the tax burden on employee-dense businesses has taken the wind out of our sails.”

She added that the cuts would disproportionately affect young workers, many of whom rely on first jobs in salons, barbers and retail shops to begin their careers.

“This is a tragedy for young people and those looking to get back on the career ladder,” Kendall said.

The British Hair Consortium, which represents around 50,000 hairdressers, has reported a growing trend of salons laying off staff and re-employing them on a self-employed basis to limit exposure to increased payroll costs. This move, while financially necessary for many businesses, raises concerns about job stability and working conditions.

A separate report by CBI Economics paints an even more troubling long-term picture. It forecasts a staggering 93 per cent drop in jobs within the sector by 2030. Women are expected to be the hardest hit, with 84 per cent of current roles in the beauty industry held by women.

The sector, once seen as a reliable engine of growth and a vital part of the UK’s service economy, is now warning that Labour’s tax policies could accelerate decline rather than encourage expansion. With many small businesses already operating on tight margins, further fiscal pressure risks not only job losses, but permanent closures across Britain’s towns and cities.

