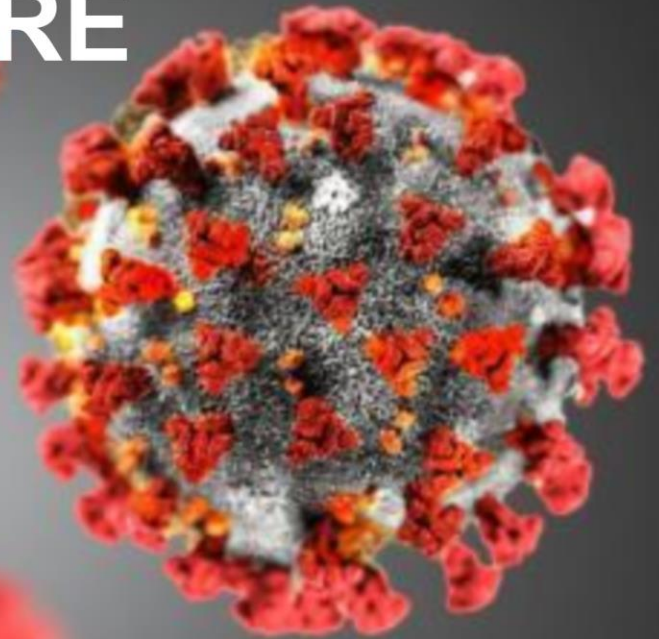


COVID-19 AND THE TEXAS HAIR CARE INDUSTRY



HOBBY
SCHOOL OF PUBLIC AFFAIRS
UNIVERSITY of HOUSTON

Research Team

Principal Investigators

Kirk Watson, Dean of Hobby School of Public Affairs

Mark P. Jones, Senior Research Fellow, Hobby School of Public Affairs; James A. Baker III Institute for Public Policy's Fellow in Political Science, Rice University

Pablo M. Pinto, Director, Center for Public Policy & Associate Professor, Hobby School of Public Affairs

Researchers

Gail Buttorff, Co-Director, Survey Research Institute & Assistant Instructional Professor, Hobby School of Public Affairs

Francisco Cantú, Co-Director, Survey Research Institute & Associate Professor, Department of Political Science

Renée Cross, Senior Director & Researcher, Hobby School of Public Affairs

Jim Granato, Executive Director & Professor, Hobby School of Public Affairs

Richard Murray, Lanier Chair in Urban Public Policy & Professor, Department of Political Science

Yewande O. Olapade, Post-Doctoral Fellow, Hobby School of Public Affairs

Savannah Sipole, Post-Doctoral Fellow, Hobby School of Public Affairs

Agustín Vallejo, Post-Doctoral Fellow, Hobby School of Public Affairs

Sunny M.C. Wong, Professor, Hobby School of Public Affairs

COVID-19 and the Texas Hair Care Industry: A Survey of Hair Stylists and Barbers

The University of Houston Hobby School of Public Affairs, in partnership with Farouk Systems Inc., surveyed Texas hair stylists, barbers, hair salon owners and barbershop owners between May 26 and June 14, 2020. Farouk Systems is a Houston-based manufacturer of globally recognized professional hair care products under the brands Chi[®], BioSilk[®] and SunGlitz[®]. In all, 101 hair care industry members agreed to take the survey, an overwhelming majority of which were individual stylists and barbers.

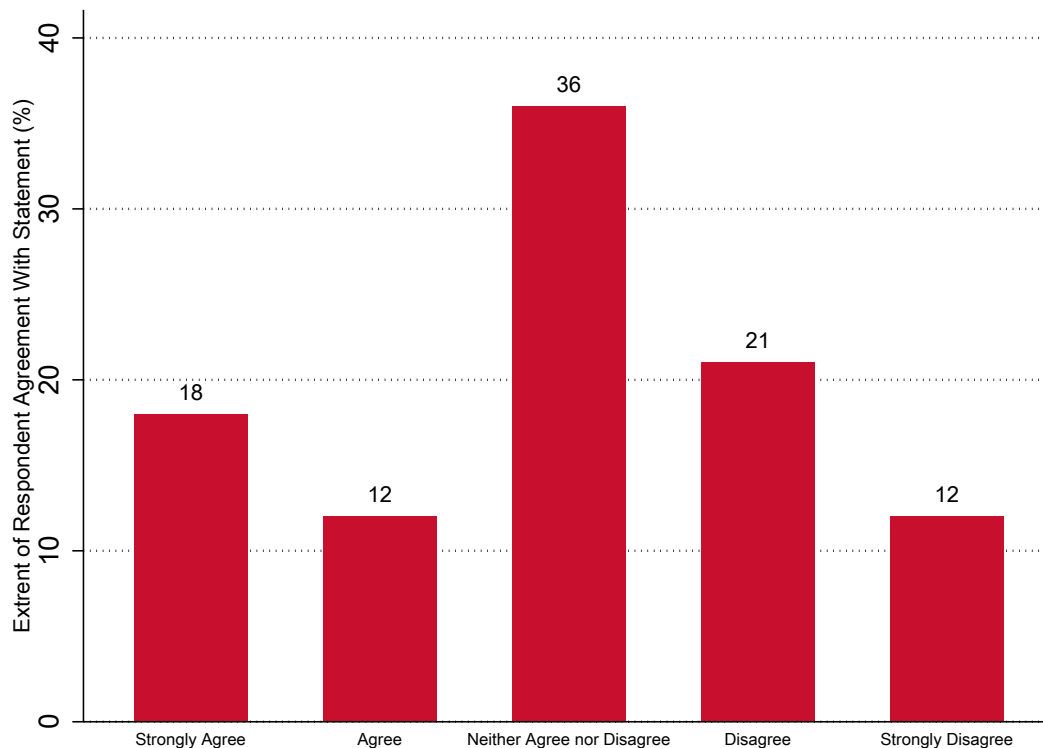
The survey examined a variety of factors relevant for the hair care industry in the midst of the current COVID-19 pandemic. These factors include workplace safety, reopening trends, opinions about reopening, and the relationship between COVID-19 and business operations. The survey also inquired about the opinions of these hair care professionals regarding the case of Dallas salon owner Shelley Luther, whose defiance in April of a statewide rule that mandated the shuttering of salons both created a media firestorm as well as quite likely led to Texas permitting hair salons and barbershops to reopen sooner than would have otherwise been the case.

The respondents provided a diverse cross-section reflecting the ethnicity and race of Texas stylists and barbers. Slightly more than half (53%) were Anglo, 28% were Latino, 16% were African American, and 3% were a member of another ethnic/racial group. The respondents also were representative of the industry's gender profile, with women accounting for 76% of the respondents and men 24%.

Is it Safe to Reopen Salons & Barbershops?

The respondents were asked, “Regardless of whether your establishment has reopened, to what extent do you agree or disagree with the following statement? At the present time, it is safe to open the salon/barbershop where I work.” The stylists and barbers were split relatively evenly in their responses (see Figure 1). Almost a third of respondents (30%) either Strongly Agreed (18%) or Agreed (12%) with the statement that it was safe to reopen. And, with the obverse opinion, a third (33%) either Strongly Disagreed (12%) or Disagreed (21%) with the statement that it was safe to reopen. The remaining 36% of the respondents Neither Agreed nor Disagreed with the statement.

Figure 1: "It Is Safe To Reopen The Salon/Barbershop Where I Work?"



Going Back to Work in the Hair Care Industry

Figure 2 reveals three-fourths (74%) of the salons and barbershops where the stylists and barbers work or which were owned by the respondent had reopened while a little more than one-fourth (26%) had not yet reopened. Among those stylists and barbers whose salon or barbershop had reopened, an overwhelming majority had returned to work (88%), versus a mere 12% who had not yet returned to work.

Figure 2: "Salon Reopening Stylists Who Have Returned To Work"

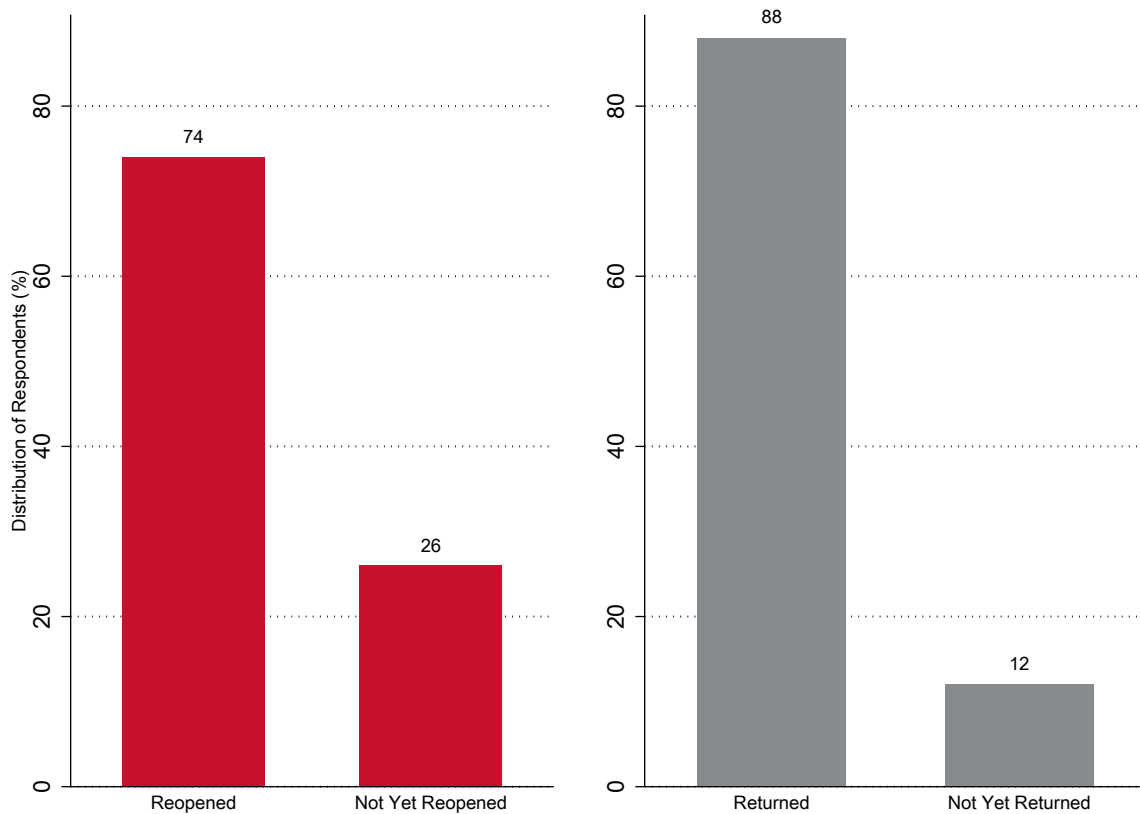


Figure 3 underscores that an overwhelming majority of respondents believed that they had no real choice but to return to work. In all, more than nine out of ten (91%) either Strongly Agreed (68%) or Agreed (23%) with the statement that: "For economic reasons I feel I have no choice but to return to work." Only 4% Disagreed with the statement, with the remaining 5% Neither Agreeing nor Disagreeing.

Figure 3: "For Economic Reasons I Feel I Have No Choice But To Return To Work"

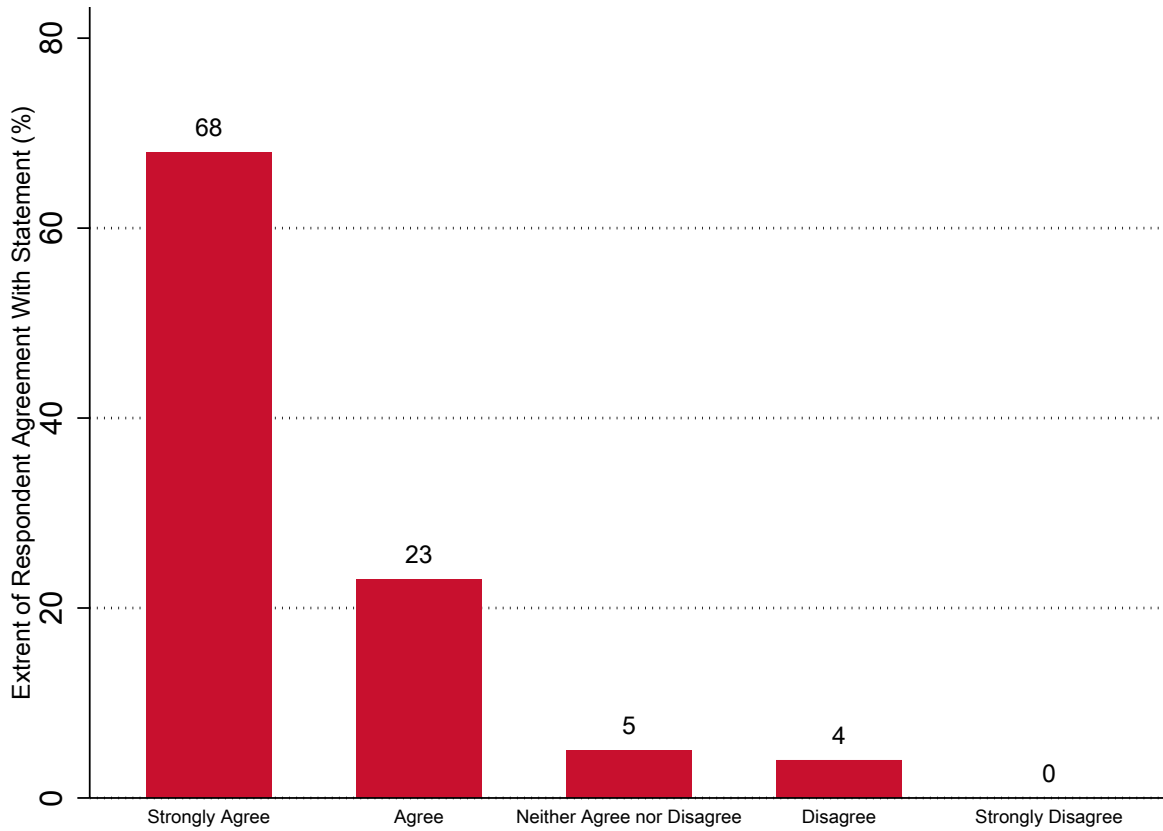
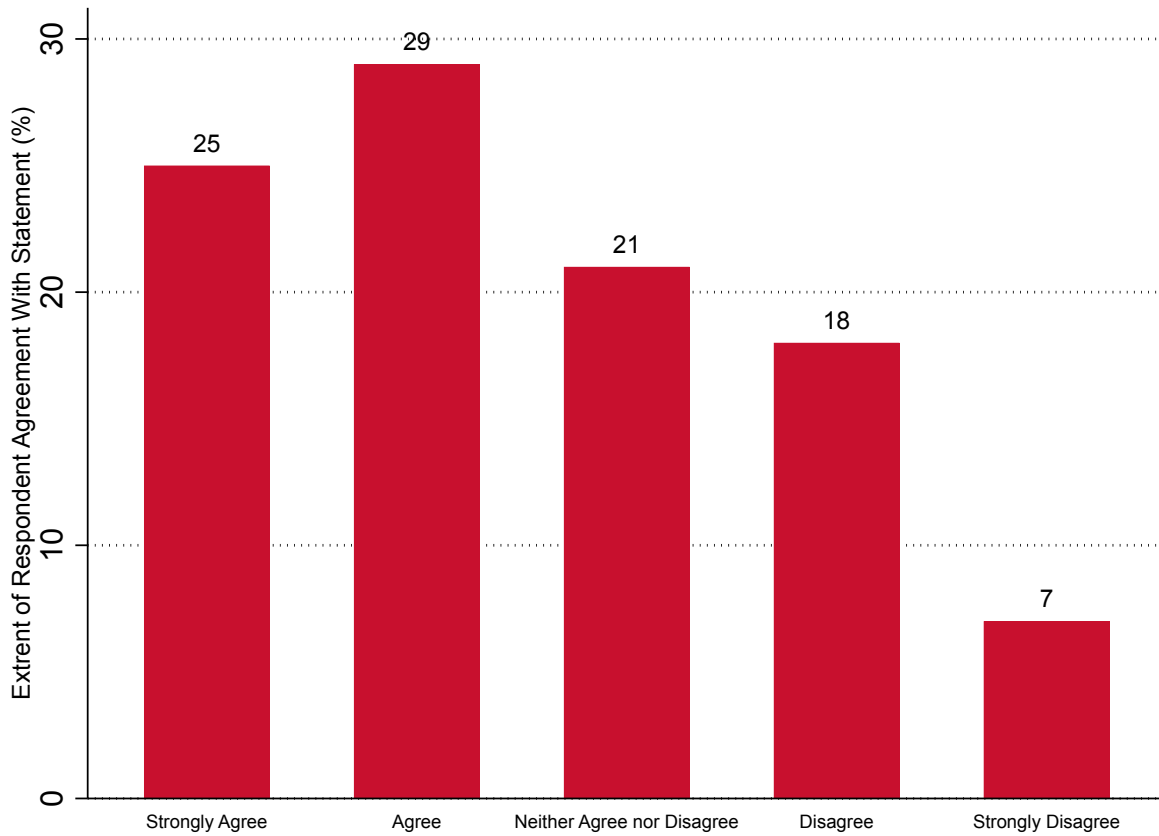


Figure 4 drills down deeper into the above sentiment by asking the extent to which the stylists and barbers agreed with the statement: "I would have preferred to have waited to go back to work, but with others going back, I had no choice but to do so as well." More than half (54%) of the stylists and barbers agreed with this statement (25% Strongly Agreed and 29% Agreed). Only one in four (25%) of the respondents either Disagreed (18%) or Strongly Disagreed (7%) with the statement, implicitly signaling that only a minority of stylists and barbers are truly at peace with being back at work under the current pandemic conditions. One in five (21%) respondents Neither Agreed nor Disagreed with the statement.

Figure 4: "I Would Have Preferred To Have Waited To Go Back To Work, But With Others Going Back, I Had No Choice But To Do So As Well"



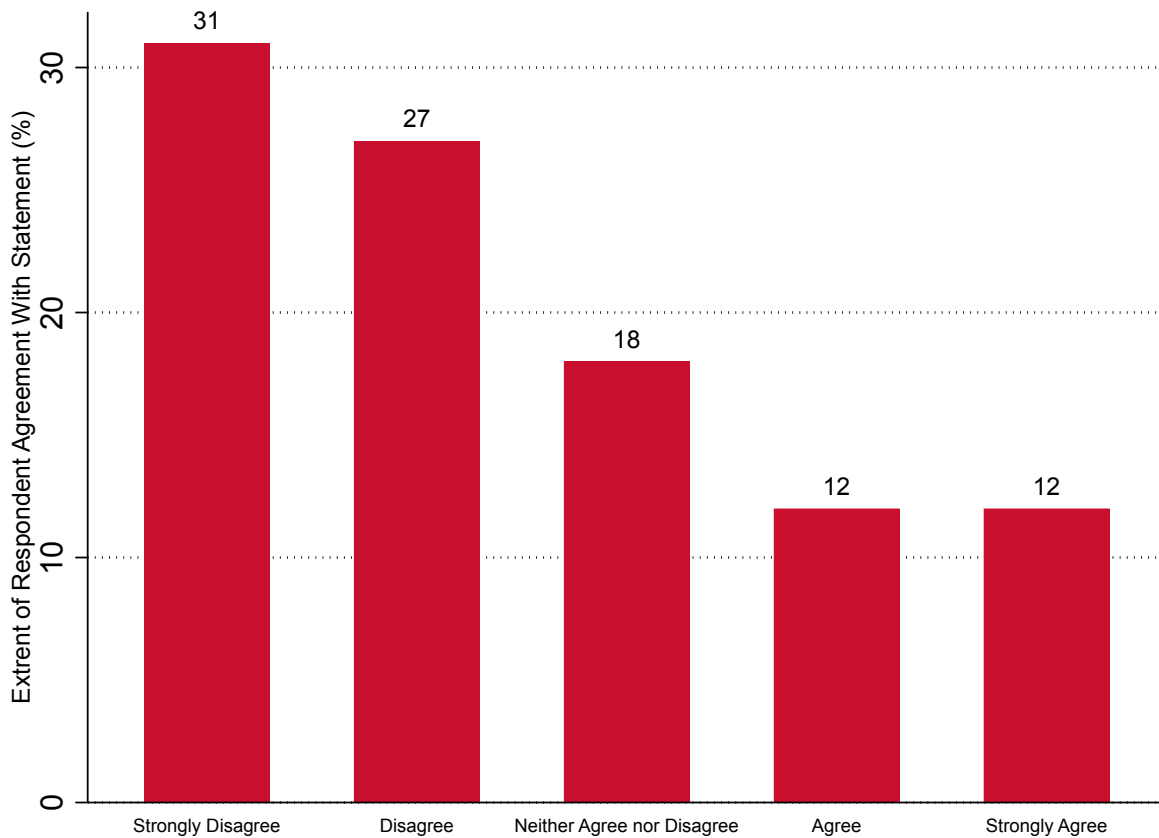
These findings suggest that in late May and early June, when the survey was conducted and the infection rate in Texas was lower than it is now in the second half of June, respondents were uncomfortable with returning to work given the current state of the COVID-19 pandemic. However, it is apparent that they were caught in an industry-wide collective action problem: They felt compelled to return to work, lest they lose business and clients to other stylists and barbers.

Profitability Amidst the COVID-19 Pandemic

An overwhelming majority of stylists, barbers and salon and barbershop owners do not believe it is possible for them to simultaneously practice social distancing in their establishment and still earn the same amount of money as before the onset

of the COVID-19 pandemic (see Figure 5). Nearly six in ten (58%) either Strongly Disagreed (31%) or Disagreed (27%) with this statement: “It is possible for me to practice social distancing and still earn the same amount as before the COVID-19 pandemic.” In sharp contrast, slightly less than one in four (24%) either Strongly Agreed (12%) or Agreed (12%) that they were able to practice social distancing and still make as much money as they did earlier this year before COVID-19 swept across the nation. The remaining 18% of the respondents Neither Agreed nor Disagreed with the statement.

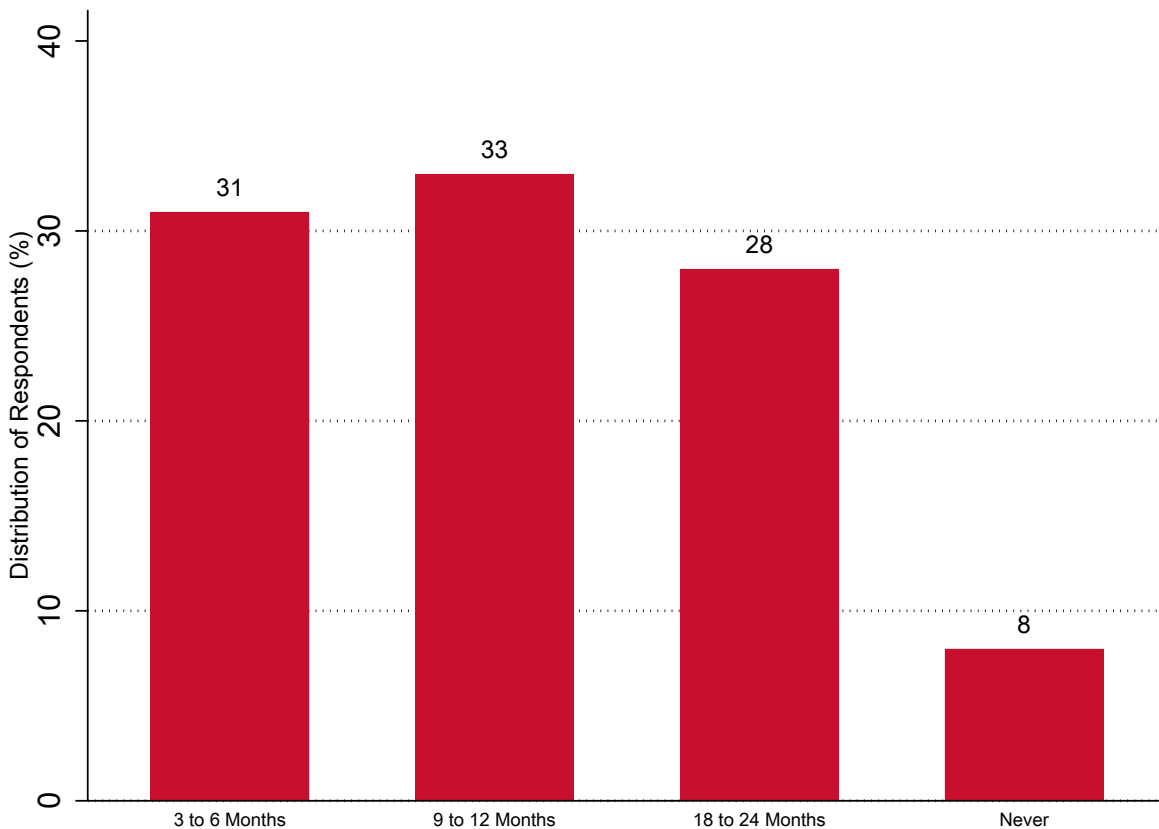
Figure 5: “It Is Possible For Me To Practice Social Distancing And Still Earn The Same Amount As Before The COVID-19 Pandemic”



The same respondents were then asked how long they thought it would be until their sales were back to the levels they had in January 2020 before COVID-19 had forced the industry to temporarily shut down from mid to late March through early May (see Figure 6). Approximately two out of every three respondents (64%) believe it

will take between three and 12 months (31% three to six months; 33% nine to twelve months) to get back to their January 2020 sales levels, while a quarter (28%) of the respondents are somewhat less optimistic. This latter group is of the opinion that their sales will not return to January 2020 levels for between 18 and 24 months. Finally, 8% of respondents believe their sales will never get back to where they were this past January.

Figure 6: "How Long Until Your Sales Are Back to January 2020 Levels?"



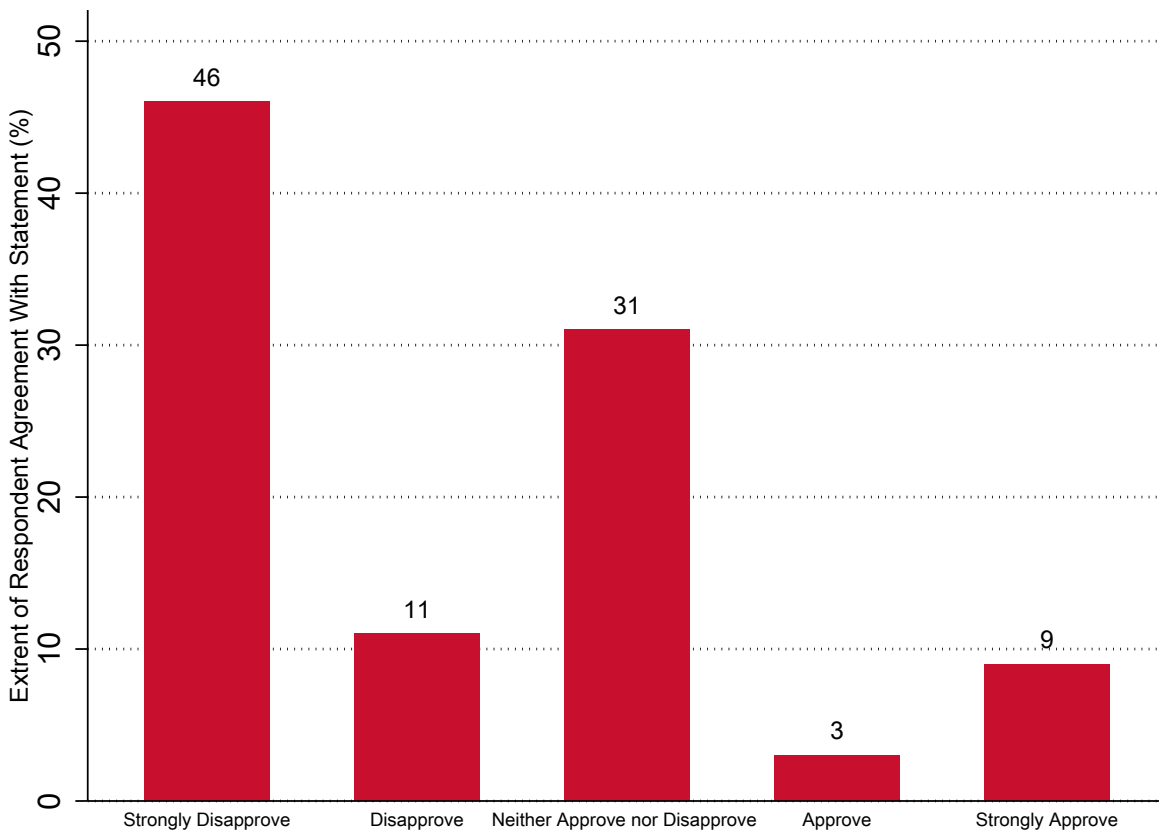
Industry Opinion on The Shelley Luther Case

In late April, Dallas hair salon owner Shelley Luther opened her hair salon for business in defiance of Governor Greg Abbott's statewide business and COVID-19 order requiring hair salons and barbershops to remain closed. She was eventually sentenced to seven days in jail and fined. Her punishment caused outrage in some circles, and eventually contributed to Governor Abbott modifying the penalties for

violating (i.e., no jail time) his closure orders and arguably also sped up the governor's decision to allow hair salons and barbershops to open on May 8.

Virtually all (90%) of these stylists, barbers and salon and barbershop owners were familiar with the Shelley Luther case. As Figure 7 underscores, close to half (46%) of the hair care industry professionals surveyed Strongly Disapproved of Shelley Luther's decision to reopen her salon at a time when Governor Abbott's statewide order required salons and barbershops to remain closed. Another 11% Disapproved of her decision, for a total Disapproval rate of 57%.

Figure 7: "Approval of Salon Owner Shelley Luther's Decision To Open Her Salon When Gov. Abbott's Order Required Salons To Be Closed "



In sharp contrast, a mere 9% of the respondents in this survey Strongly Approved of Luther's decision to reopen in defiance of Governor Abbott's statewide order, with another 3% Approving for a total approval rate of 12%, almost five times less than the total disapproval rate of 57%. Approximately one-third (31%) of the respondents Neither Approved nor Disapproved of Luther's decision to open her salon in spite of the governor's order requiring salons to remain closed to safeguard public health in the midst of the early days of the COVID-19 pandemic.