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CHAPTER 5

ROUTINE PERSONAL SERVICES

THE industries providing chiefly or only personal services to consumers may be divided into two classes according to the nature of their personnel. One group supplies routine services which can be performed by individuals with little or no formal training, so that many consumers perform these services for themselves. The chief industries in this class are domestic service, laundering and cleaning, and housekeeping. The other group of industries supplies highly specialized services which can be performed only by individuals with extensive formal training. The medical professions, law, and teaching are important examples.

The difference between the two groups of industries is, of course, one of degree, and it is easy to find industries whose services are hard to classify. The entertainment industries, for example, range from one extreme, where long training and uncommon talents are essential (like operatic singing), to another extreme, where only strong nerves and stoicism are essential (like dancing instruction). Moreover, the boundary shifts through time: one basic effect of the accumulation of knowledge has been the shift of services from the unskilled to the skilled category. Still, the majority of employees in the personal service industries are relatively easy to classify, and since the basis of classification is relevant to important characteristics of these industries, we follow it here. The present chapter deals with the routine personal service industries.

Five of the largest industries supplying routine services are domestic service, beauty and barber shops, housing, power laundries, and cleaning and dyeing establishments; the trend of the labor force or employment in each is reported in Tables 31 and 32 (and Chart 24). There exist also a host of smaller industries providing routine services such as gardening, window washing, and the like. Some are almost fugitive in their organization, and we have little information about them.¹ The five industries we have listed contain the immense majority of all employees in the personal service industries—about 3.0 million persons in 1950. To this total one

¹ The personal service industries included in the census of business, in

ROUTINE PERSONAL SERVICES

TABLE 31

The Growth of the Labor Force in Selected Nonprofessional Service Industries, 1900-1950

| | <i>Domestic Service</i> (1) | <i>Barbers and Hairdressers</i> (2) | <i>Hotels and Lodging Places</i> (3) |
|------|--------------------------------|--|---|
| 1900 | 1,509,000 | 132,826 | ... |
| 1910 | 1,867,000 | 195,275 | 674,000 |
| 1920 | 1,484,000 | 216,211 | ... |
| 1930 | 2,025,000 | 374,290 | 682,381 |
| 1940 | 2,098,000 | 440,111 | 623,497 |
| 1950 | 1,513,000 | 388,805 | 541,959 |

| Column | Source |
|--------|--|
| 1 | 1900-1940: George J. Stigler, <i>Domestic Servants in the United States, 1900-1940</i> , National Bureau of Economic Research, Occasional Paper 24, 1946, Table 1. 1950: <i>Census of Population, 1950</i> , Bureau of the Census, Vol. II, Part 1, Table 124. Comparability with early years requires an incomplete coverage; the full number in 1950 was 1,730,000. |
| 2 | 1900-1940: Alba M. Edwards, <i>Comparative Occupation Statistics for the United States, 1870 to 1940</i> , Bureau of the Census, 1943, Tables 2 and 8. 1950: <i>Census of Population, 1950</i> , Vol. II, Part 1, Table 124. |
| 3 | 1910: <i>Census of Population, 1910</i> , Vol. IV, Table VI. Numbers in 1910 roughly estimated by subtracting other categories, such as domestic service and eating establishments, from total of domestic and personal service. 1930: <i>Census of Population, 1930</i> , Vol. V, Chapter 7, Table 2. Numbers in 1930 also estimated by deducting "eating & drinking places" from total "hotels and eating and drinking places." 1940: Edwards, <i>op. cit.</i> , Tables 2 and 7, p. 30. Figures for 1940 adjusted to 1930 base. 1950: <i>Census of Population, 1950</i> , Vol. II, Part 1, Tables 124 and 130. Figures for 1950 adjusted to 1930 base. |

addition to beauty and barber shops, laundries, and cleaning and dyeing establishments, are less routine in their nature; in 1948 they were:

| | |
|----------------------------|----------------|
| | <i>Persons</i> |
| Funeral service | 59,518 |
| Photographic studios | 30,983 |
| Pressing, alteration, etc. | 91,676 |
| Shoe repairs, etc. | 67,182 |
| Miscellaneous | 33,398 |
| Total | 282,757 |

ROUTINE PERSONAL SERVICES

TABLE 32

Employment in Power Laundries and Cleaning
and Dyeing Establishments, 1899-1948

| | <i>Power Laundries</i> | <i>Cleaning and Dyeing Establishments</i> |
|------|------------------------|---|
| 1899 | ... | 7,448 |
| 1909 | 124,214 | ... |
| 1914 | 149,100 | ... |
| 1919 | 152,569 | 24,934 |
| 1925 | 191,072 | 33,666 |
| 1927 | 229,843 | 52,388 |
| 1929 | 264,669 | 75,840 |
| 1933 | 195,322 | 56,248 |
| 1935 | 235,896 | 78,302 |
| 1939 | 254,355 | 94,655 |
| 1948 | 316,820 | 230,468 |

Source: *Census of Manufactures*, Bureau of the Census, to 1939; *Census of Business* thereafter. Power laundries include rug-cleaning establishments except in 1933 and 1935. The number of establishments with receipts of \$500 to \$5,000 is estimated for 1925 through 1935 so the series covers establishments with receipts over \$500 throughout.

might add the 1.8 million persons in eating and drinking establishments, which we have treated, following census practice, as retail trade.

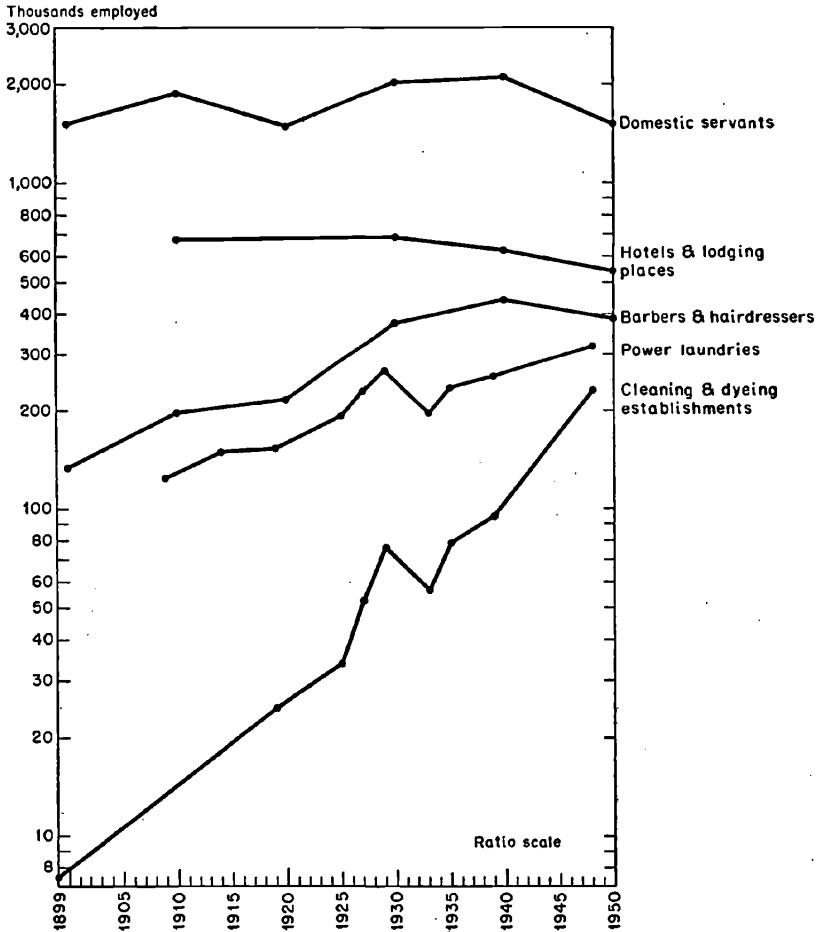
Neither of the two largest of these industries, domestic service and housing (hotels, boarding and lodging houses), has grown in absolute numbers over the half century, and of course they have fallen substantially relative to other industries. Beauty and barber shops and power laundries have grown in relative importance, but with noticeable retardation; the recent growth of cleaning and dyeing establishments has been great and shows positive acceleration.

The common characteristic of these industries is that all supply services which in varying degree most American families also supply to themselves. The movement of work has been from households to the market in the cases of beauty parlors, laundries, and cleaning establishments; on balance it has been from the market to households in the cases of domestic service, housing, and barber shops. The movements of employment in two of these industries, domestic service and barber and beauty shops, will serve to illustrate the types of forces at work.

ROUTINE PERSONAL SERVICES

CHART 24

The Growth of Selected Nonprofessional Service Industries,
1899-1950



Source: Same as in Tables 31, 32.

1. Domestic Service

The largest and most ancient of the routine service industries is domestic service. It grew slowly and irregularly from 1900 to 1940, and then fell 10 per cent by 1950;² relative to the number

² Unless otherwise indicated, this section is based on the present author's *Domestic Servants in the United States, 1900-1940*, National Bureau of Economic Research, Occasional Paper 24, 1946.

ROUTINE PERSONAL SERVICES

of private families, however, the fall has been much larger:

| | <i>Servants per 1,000 Families</i> |
|-------------------|--|
| 1900 | 94.3 |
| 1910 | 94.1 |
| 1920 | 61.7 |
| 1930 | 67.7 |
| 1940 | 60.2 |
| 1950 ^a | 34.4 |

^a 1950 *Census of Population*, Vol. II, Part 1, Tables 47 and 124.

Was this decline due chiefly to rising wage rates? We may summarize what little information we possess on servants' money wages as follows:

| | WAGE RATE, PER YEAR ^a | | |
|------|----------------------------------|--------------------------------|--------------|
| | <i>33 States (Female)</i> | <i>United States (All)</i> | <i>Index</i> |
| 1899 | \$164 | | 100 |
| 1939 | 375 | \$381 | 229 |
| 1950 | | 1,036 | 623 |

^a United States wage rate based on 1939 census of population, income data for domestic servants who worked 12 months in 1939. See *Census of Population, 1940*, Vol. III, *Labor Force*, Part 1, Table 72. The estimates for 1950 were computed by splicing 1939 wage rates to Dept. of Commerce estimates of average annual earnings per full-time employee in private households. See *National Income Supplement, 1951, Survey of Current Business*, Dept. of Commerce, Table 26.

The rise in money wages was indeed large; presumably the rise in wages including income in kind was smaller because a declining fraction of servants "live in."³ Yet the increase was not in excess of the increase in money incomes of American families to 1939, and only slightly in excess of the increase of money incomes from 1939 to 1950; the income per family was \$914, \$2,000, and \$4,699, respectively, in these years.⁴ One may say, therefore, that the great reduction in the number of servants per family is not due to the rise in the cost of servants relative to family income.

³ Income in kind was estimated to be \$139 per full-time servant in 1939. See the *National Income Supplement, 1951, Survey of Current Business*, Dept. of Commerce, pp. 65 and 184.

⁴ The figures are for disposable money income in 1939 and 1950. The earlier figure is based on Simon Kuznets, *National Product since 1869*, NBER, 1946, Tables II and 16; the later figures are based on Dept. of Commerce data.

ROUTINE PERSONAL SERVICES

Price is not commonly reckoned relative to the buyer's income, however, and we should also ask whether the wages of servants have risen relative to the prices of commodities and other services—in particular those commodities and services which compete with the servant. Unfortunately, this question cannot be adequately answered. The leading competitive goods and services include restaurant meals, factory-prepared food (e.g. canned foods, bakery products), laundry services, and appliances employed in routine household work. Nothing can be said about restaurant prices or laundry prices and there exists no price series on household appliances (which in any case have undergone vast improvements in quality). It is very probable that the cost of having a thing done by a servant has risen relative to the cost of having it done by a commercial industry,⁵ but it would be unsafe to place major weight on this explanation for the declining use of servants. Some of the major services performed by servants are not supplied by commercial industries—house cleaning (except in apartments and hotels), bed making, baby tending, and the like. Some of the competitive industries appear to have increased their prices almost as much as servants' wages have risen.⁶ Some technical developments have increased the productivity of servants, and hence reduced their real cost—for example dish- and clothes-washing machines. It is desirable, therefore, to consider other explanations for the trend of employment in domestic service.

INCOME

Servants are employed primarily by families in the upper income classes. In 1935-1936 the 2.6 per cent of families with incomes exceeding \$5,000 made 46 per cent of the total expenditures on domestic service. If one estimates the income elasticity of domestic service from budgetary data, it is approximately 2, i.e. when a family's income is 1 per cent larger than another family's income, the former family spends 2 per cent more than the latter on domestic service. Yet the historical trends of servants per family and income per family move in opposite directions.

⁵ "Value added" per unit of output, the manufacturers' gross margin, rose only 2 per cent in canned fruits and vegetables from 1899 to 1939, and only 87 per cent from 1899 to 1947.

⁶ Restaurant meals may be an example. Labor productivity does not appear to be rising: salaries and wages as a percentage of restaurant sales in hotels were 30.0 per cent in 1939 and 32.9 per cent in 1950 (*Hotel Operations . . .*, Horwath and Horwath, given years).

ROUTINE PERSONAL SERVICES

The largest part of the explanation for these divergent trends may well lie in the changes that have taken place in the distribution of income among families. The families with the largest incomes, who are the largest employers of servants, have experienced a sharp fall in income relative to the average family since 1929, and the equalization may have been going on since the turn of the century.⁷

This hypothesis can be tested by analyzing the differences among states in the employment of servants in 1940. It is possible to estimate the percentage of the personal income of a state which the top 1 per cent of income recipients receive; the estimates are given in Table 33.⁸ In a regression analysis, we employ the following variables:

- X_1 = servants per 100 families, 1940
- X_2 = average annual wage of a servant, 1939
- X_3 = income payments per family, 1940
- X_4 = percentage of income received by upper 1 per cent of income recipients, 1940

The following equation is obtained, where the numbers in parentheses are the standard errors of the regression coefficients:

$$X_1 = 5.82 - 0.109X_2 - .00024X_3 + .511X_4$$

(.0032) (.00059) (.096)

The analysis suggests that the number of servants depends upon the wage rate and the share of income received by the top income classes, but not at all upon the absolute level of income. The average wage rate and the average family income are closely correlated ($r = .94$), so we cannot be certain that income is unimportant.

⁷ See Simon Kuznets, *Shares of Upper Income Groups in Income and Savings*, NBER, 1953.

⁸ These estimates were computed as follows:

1. The number of persons forming 1 per cent of the population in each state in 1940 was computed by converting the number of net income tax returns reported for each income class in *Statistics of Income for 1940* (Bureau of Internal Revenue, 1944) to population as defined by Kuznets in his *Shares of Upper Income Groups in Income and Savings*. (The conversion ratios were derived from Kuznets, *op. cit.*, Table 111.) The people in the top income classes necessary to account for 1 per cent of the population were then obtained.

2. The aggregate income of the upper 1 per cent of the population was computed by converting the net income, tax definition, for the income classes found in step 1 to economic income, as defined by Kuznets. (Conversion ratios derived from Kuznets, *op. cit.*, Table 112.)

3. The total economic income received by the upper 1 per cent of the population was then compared with state income payments.

ROUTINE PERSONAL SERVICES

TABLE 33

Percentage of Income Payments Received
by Upper 1 Per Cent of Recipients, 1940

| | Percentage | | Percentage |
|----------------------|------------|----------------|------------|
| Alabama | 11.86 | Montana | 7.25 |
| Arizona | 8.38 | Nebraska | 9.30 |
| Arkansas | 10.87 | Nevada | 12.61 |
| California | 9.00 | New Hampshire | 10.10 |
| Colorado | 10.12 | New Jersey | 11.16 |
| Connecticut | 13.45 | New Mexico | 10.04 |
| Delaware | 31.99 | New York | 11.78 |
| District of Columbia | 7.57 | North Carolina | 11.29 |
| Florida | 16.13 | North Dakota | 6.18 |
| Georgia | 13.33 | Ohio | 10.95 |
| Idaho | 6.37 | Oklahoma | 10.50 |
| Illinois | 11.08 | Pennsylvania | 11.25 |
| Indiana | 9.53 | Oregon | 8.93 |
| Iowa | 9.60 | Rhode Island | 11.94 |
| Kansas | 8.28 | South Carolina | 9.50 |
| Kentucky | 11.22 | South Dakota | 6.36 |
| Louisiana | 11.69 | Tennessee | 13.01 |
| Maine | 10.03 | Texas | 11.58 |
| Maryland | 12.24 | Utah | 8.37 |
| Massachusetts | 10.80 | Vermont | 9.07 |
| Michigan | 11.33 | Virginia | 11.91 |
| Minnesota | 9.57 | Washington | 7.67 |
| Mississippi | 11.92 | West Virginia | 9.45 |
| Missouri | 11.66 | Wisconsin | 9.41 |
| | | Wyoming | 8.46 |

Source: *Statistics of Income for 1940*, Bureau of Internal Revenue, Part 1, 1944, Table 8; Simon Kuznets, *Shares of Upper Income Groups in Income and Savings*, National Bureau of Economic Research, 1953; and *Survey of Current Business*, Dept. of Commerce, August 1952, p. 16.

But it is noteworthy that in international comparisons one finds that some of the poorest countries make the largest use of servants.⁹

POPULATION CHARACTERISTICS

At higher income levels, the urban family spends much more than the farm family for domestic service (Table 34). If we weight

⁹ The following data unfortunately cannot be supplemented by income

ROUTINE PERSONAL SERVICES

the expenditures of the four income classes of Table 34 by the total number of families in each class, we may summarize the table as follows: if all families had been on farms, average family expenditures on servants would have been \$11; if all families had

TABLE 34
Family Expenditures for Household Service, by Income Class,
1935-1936

| | <i>Urban Families</i> | <i>Rural Nonfarm Families</i> | <i>Farm Families</i> |
|------------------|---------------------------|---------------------------------------|--------------------------|
| \$500 to \$1,000 | \$2 | \$4 | \$3 |
| 1,500 to 2,000 | 11 | 27 | 12 |
| 3,000 to 4,000 | 80 | 95 | 31 |
| 5,000 to 10,000 | 278 | 154 | 87 |

Source: *Family Expenditures in the United States*, National Resources Planning Board, 1941, Table 30.

been in cities, \$21. But wages of servants are much lower in rural than in urban areas, so the expenditure data greatly exaggerate the influence of urbanization on employment of servants. Fragmentary data on employment suggest that nonfarm families employ

distribution data, but the high ratios in India, South Africa, and England in 1931 support the view that the income distribution is influential:

| <i>Country</i> | <i>Year</i> | <i>Servants per 1,000 Population</i> |
|----------------|-------------|--|
| United States | 1940 | 15.9 |
| England | 1931 | 37.1 |
| | 1951 | 17.4 |
| Germany | 1933 | 19.5 |
| Canada | 1941 | 13.6 |
| India | 1931 | 35.9 |
| South Africa | 1936 | 43.7 |

| <i>Country</i> | <i>Source</i> |
|----------------|--|
| India | Statistical Abstract for British India, 1930-1933 to 1939-1940. |
| South Africa | Sixth Census of the Union of South Africa, Population, Vol. I, Occupations and Industry, Vol. VII. |
| Canada | Eighth Census of Canada, Vols. I and VII. |
| England | General Register Office, 1951, One Per cent Sample, Table, Part I. |
| Other | George J. Stigler, <i>Domestic Servants in the United States, 1900-1940</i> , National Bureau of Economic Research, Occasional Paper 24, 1946. |

ROUTINE PERSONAL SERVICES

more domestic servants than farm families, but that the number of servants per family does not increase with city size.¹⁰

The declining number of children per family, on the other hand, has worked in the direction of decreasing the demand for servants. Budgetary data suggest that expenditures on servants are larger, the larger the number of children, but that the increase of expenditures with family size is smaller as family income becomes larger.

¹⁰ The following data, which point in this direction, are from the Consumer Purchases Study:

| AREA | FAMILY INCOME | | | |
|---|-------------------------|-----------------------------------|-------------------------|-----------------------------------|
| | \$2,500-\$3,000 | | \$5,000-\$7,500 | |
| | Expenditure on Servants | Average Weeks of Servant Services | Expenditure on Servants | Average Weeks of Servant Services |
| New York ^a | \$21.90 | 6.9 | \$368.80 | 50.1 |
| Chicago ^a | 28.40 | 8.9 | 245.10 | 45.7 |
| Columbus, Ohio ^a | 28.10 | 10.3 | 249.60 | 51.2 |
| Providence ^a | 32.60 | 10.8 | 233.60 | 46.8 |
| East Central middle-sized cities ^a | 33.50 | 10.5 | 235.20 ^b | 50.4 ^b |
| West Central middle-sized cities ^a | 52.50 | 18.1 | 223.60 ^b | 48.6 ^b |
| East Central small cities ^c | 30.40 | 10.5 | | |
| North Central small cities ^c | 36.12 | 9.7 | 179.84 ^d | 41.3 ^{d,e} |
| Middle Atlantic and North Central villages ^f | 27.14 | 6.7 | 121.70 ^d | 33. d.e |
| Penn.-Ohio farms ^f | 18.61 | 6.2 | 22.11 ^d | 7.8 ^{d,e} |
| California farms ^f | 29.87 | 4.4 | 137.10 | 22.6 ^{d,e} |

^a Taken from *Family Expenditures in Selected Cities, 1935-36*, Bureau of Labor Statistics, Vol. I, *Housing*, Bull. 648, 1941, Table 8.

^b Income of \$5,000 or more.

^c Hazel Kyrk, *et al.*, *Family Expenditures for Housing and Household Operation*, Dept. of Agriculture, *Urban and Village Series*, Misc. Pub. 432, 1941, Table 48.

^d Income of \$5,000 to \$10,000.

^e Estimated as one-sixth of number of days.

^f Hazel Kyrk, *et al.*, *Family Expenditures for Housing and Household Operation, Five Regions*, Dept. of Agriculture, *Farm Series*, Misc. Pub. 457, 1941, Table 40.

ROUTINE PERSONAL SERVICES

TECHNOLOGY

During the first half of the twentieth century, large changes occurred in the households of the country. In 1900 most houses were heated with coal or wood; in 1950 one-third were heated by gas or petroleum products. In 1900 most homes cooked with coal or wood; in 1950 three-fourths had shifted to gas or electricity. In 1900 there were only ineffective hand washing machines, no dish-washing machines, no electric toasters, no vacuum cleaners, and only primitive ironing equipment.

Much of the task of preparing food for consumption within the home—to say nothing of the increased patronage of restaurants—has been taken over by commercial industry. Bakeries now make the bread, and canneries preserve the fruits and vegetables, that were once the task of the housewife or her servants. An ever-growing list of foods are now fully prepared, except for the heating, for household consumption.

Not all of these technological advances reduce the demand for servants—the washing machine, for example, has probably shifted much laundering from hand and power laundries to the household, where it gives rise to a demand for domestic service. On balance, however, these advances have reduced greatly the irksomeness and time required by the performance of household chores, and together with the decreasing inequality of income distribution probably explain a major part of the decline of domestic service relative to the population.

THE SUPPLY OF SERVANTS

In 1930, almost half of the female servants were Negroes, and even though immigration had almost halted, one-seventh of the servants were still foreign-born white women. Domestic service was also the major employment for both classes of women: 54 per cent of Negro working women and 27 per cent of foreign-born white working women were in domestic service. The importance of Negro and immigrant workers in domestic service has probably been due to both the absence of educational qualifications for domestic service and the practice of discrimination against these groups in many other industries.

New additions to the supply of immigrant servants have almost vanished. The employment of Negro women in other industries has

ROUTINE PERSONAL SERVICES

increased greatly.¹¹ But the competition of other industries for Negro women has not yet become a strong force in reducing the number of servants: between 1940 and 1950 the full-time earnings of a servant rose from \$533 to \$1,414, or by 165 per cent, whereas the full-time earnings of all workers rose from \$1,306 to \$3,024, or by 132 per cent.¹²

2. Barber and Beauty Shops

The workers in barber and beauty shops have not been separated in the population censuses, but if we identify them by sex, the two branches of the industry have had very different histories (Table 35).¹³ The number of barbers has not grown as rapidly as the male

TABLE 35
Barbers, Hairdressers, etc., 1900-1950

| | TOTAL NUMBER | | MALE | FEMALE |
|------|--------------|---------|---|---|
| | Male | Female | WORKERS PER 1,000 MALES IN POPULATION | WORKERS PER 1,000 FEMALES IN POPULATION |
| 1900 | 125,542 | 7,284 | 3.23 | .20 |
| 1910 | 172,977 | 22,298 | 3.65 | .50 |
| 1920 | 182,965 | 33,246 | 3.39 | .64 |
| 1930 | 261,096 | 113,194 | 4.20 | 1.87 |
| 1940 | 221,979 | 218,132 | 3.36 | 3.32 |
| 1950 | 195,369 | 193,436 | 2.61 | 2.55 |

Source: Alba M. Edwards, *Comparative Occupation Statistics for the United States, 1870 to 1940*, Bureau of the Census, 1943, Tables 2, 9, and 10, and *Census of Population, 1950*, Bureau of the Census, Vol. II, Part 1, Table 124.

population, while the number of workers in beauty parlors has increased many fold more than the female population. It would be gratuitous to associate this divergence of trend with the increasing ratio of female to male population.

¹¹ In 1940 there were 1.5 million employed Negro women in the labor force, of whom 60.3 per cent were in domestic service and 16.0 per cent in agriculture. In 1950 there were 1.9 million Negro women in the labor force, of whom 42.1 per cent were in domestic service and 9.2 per cent in agriculture.

¹² *National Income Supplement, 1951, Survey of Current Business*, Table 26.

¹³ In 1939, women were 3.8 per cent of the employees of barber shops and 91.9 per cent of the employees of beauty parlors.

ROUTINE PERSONAL SERVICES

The proximate explanation of the slower growth (and absolute decline) of the barber trade is that men now shave themselves. Early in the century, King C. Gillette began the commercial development of the safety razor, and his company's sales rose from 91,000 razors in the first full year (1904) to 451,000 in 1915. Thereafter the popularity of the safety razor was much increased when the government gave a razor to each soldier in World War I. Wider use was also encouraged by the fall in price: for a decade or more the price of a razor, with twelve blades, was \$5, and it was still \$3.65 in 1920, but the price fell to \$1 in 1921 when Gillette's patent expired. In the 1930's the electric shaver appeared, and by 1947 its annual sales had grown to 2.5 million. The decline in the number of barbers relative to the number of males in urban centers (they are the chief customers) came only after 1910, but by 1950 the ratio had fallen two-fifths from its peak.¹⁴

Conversely, the rapid growth of the beauty parlor industry was fostered for a time by technology. Charles Nessler invented the basic machine for "permanent" waving in 1905; for a time growth was slow,¹⁵ but it was estimated that by 1925 more than 2 million permanent waves were given annually. In the 1930's, cold waving was developed, and in the 1940's the rapid expansion of home waving kits led to a large scale return of hair waving to the household.

Changing tastes in personal appearance, however, have probably been more important than changes in technology. The era of bobbed hair, which reached a climax in 1928 when Mary Pickford cut her hair, led to a vast expansion of the beauty parlors. The increasing number of women in the labor force probably patronized the beauty parlors more than they would have as housewives.¹⁶ When the American male decided to be close- and more or less continuously shaven, it was not likely that he would spend 15 or 30 minutes a day in a barber shop.

¹⁴ The pattern was similar for the urban population alone.

¹⁵ "In 1909," Mr. Nessler states, "only 72 women in the entire world boasted of a permanent wave," and presumably all who had them boasted. H. J. Smith, "The Growth of the Beauty Profession," *Hair and Beauty Science*, June 1928.

¹⁶ In 1939, in 92 cities with population exceeding 100,000, the coefficient of correlation between beauty parlor receipts per family and percentage of families with no children under 18 was .618. This correlation probably reflects the greater tendency of wives without young children to work and hence the greater availability of income.

ROUTINE PERSONAL SERVICES

One expects that expenditures on personal care will be fairly responsive to consumer incomes, and the data confirm the expectation. The budgetary data (Table 36) suggest that expenditures on personal care increase relatively almost as fast as income in the lower and middle income classes (the income elasticity is about

TABLE 36
Family Expenditures for Personal Care, by Income Class,
1935-1936

| | <i>Urban Families</i> | <i>Rural Nonfarm Families</i> | <i>Farm Families</i> |
|------------------|---------------------------|---------------------------------------|--------------------------|
| \$500 to \$1,000 | \$19 | \$18 | \$11 |
| 1,500 to 2,000 | 37 | 36 | 23 |
| 3,000 to 4,000 | 63 | 56 | 35 |
| 5,000 to 10,000 | 98 | 89 | 48 |

Source: *Family Expenditures in the United States*, National Resources Planning Board, 1941, Table 38.

+1 in each type of community) but increase at a relatively slower rate in the upper income classes. The temporal data on consumer expenditures (Chart 25) suggest a similar conclusion for barbers: expenditures increase in slower proportion than disposable income. The expenditures on beauty parlors, however, indicate that there has been a radical change in the relationship to income since 1946, which, if correctly reported, is presumably attributable to the development of home waving kits.

Both the barber and beauty parlor industries are organized in small shops, operated chiefly by single proprietors.¹⁷ In 1948, only 16 barber shops and 159 beauty parlors reported receipts of \$100,000 or more, and average receipts per establishment were \$4,400 and \$5,400 respectively.

Almost all states have passed licensing, and a few states also price-fixing, statutes, at the petition of the barbering and beauty parlor trades.¹⁸ These statutes commonly prescribe a minimum ap-

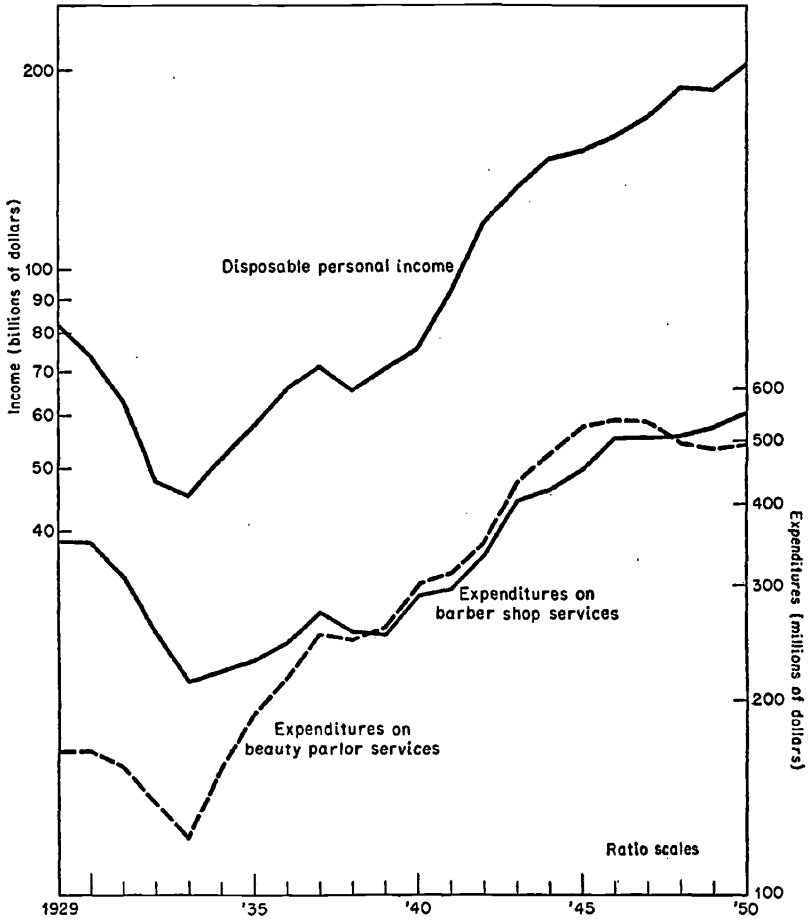
¹⁷ Only 200 of 84,083 barber shops, and 1,360 of 65,694 beauty parlors, were owned by corporations in 1948.

¹⁸ See "Working Conditions and Wages in Union Barber Shops, 1938," *Monthly Labor Review*, June 1939; David Fellman, "A Case Study in Administrative Law—The Regulation of Barbers," *Washington University Law Quarterly*, February 1941, pp. 213-242; and W. F. Brown and R. Cassady, "Guild Pricing in the Service Trades," *Quarterly Journal of Economics*, February 1947, pp. 311-338.

ROUTINE PERSONAL SERVICES

CHART 25

Personal Consumption Expenditures on Barber Shop and Beauty Parlor Services, and Disposable Personal Income, 1929-1950



Source: *National Income Supplement, 1951, Survey of Current Business*, Dept. of Commerce.

prenticeship averaging eighteen months, but sometimes for so extraordinary a period as three years, and state examination by boards consisting of barbers and cosmeticians. In Table 37, the number of barbers relative to population, and salaries of full-time barbers, are compared for states with different periods of apprenticeship.¹⁹ If the apprenticeship requirements were effective, one

¹⁹ The apprenticeship periods are as of 1939. Since many of the laws governing barbers were passed in the 1930's, it was believed that 1948 employment and wage data would better reflect their full effects.

ROUTINE PERSONAL SERVICES

TABLE 37

Number and Earnings (Full-Time) of Barbers in Selected States, 1948, by Apprenticeship Period

| STATES AND PER CAPITA INCOME | PERIOD OF REQUIRED APPRENTICESHIP (MONTHS) | | | | |
|------------------------------------|---|---------|---------|---------|---------|
| | 6 | 12 | 18 | 24 | 36 |
| Number of states | 2 | 7 | 22 | 6 | 3 |
| Average per capita income | \$1,379 | \$1,019 | \$1,303 | \$1,459 | \$1,563 |
| | Barbers per 10,000 Male Population | | | | |
| All states | 20.62 | 17.42 | 19.87 | 22.45 | 21.63 |
| States with per capita incomes of: | | | | | |
| Less than \$1,400 | a | 17.42 | 19.03 | a | a |
| More than \$1,400 | a | a | 20.71 | 22.47 | 21.63 |
| | Average Earnings | | | | |
| All states | \$47.04 | \$41.34 | \$45.94 | \$41.50 | \$42.36 |
| States with per capita incomes of: | | | | | |
| Less than \$1,400 | a | 41.34 | 42.09 | a | a |
| More than \$1,400 | a | a | 49.79 | 41.40 | 42.36 |

^a No averages are given when there are less than two states in a cell.

Source: *Census of Business, 1948*, Bureau of the Census, Vol. VII, Table 101A; "State Income Payments in 1948," *Survey of Current Business*, Dept. of Commerce, August 1949, Table 8; and *Statistical Abstract of the United States*, Bureau of the Census, 1952, Tables 10 and 19.

would expect relatively fewer barbers with relatively higher earnings in states with longer periods of apprenticeship. No such effect is yet noticeable.

It is possible, however, that the increasing barriers to entry into barbering have had effects which escape our crude measures. Between 1939 and 1948 the average annual full-time earnings of a barber increased from \$877 to \$2,160, or by 146 per cent, while the average full-time earnings of all workers in the labor force rose only 121 per cent.²⁰ Some such development as rising relative wages seems necessary to explain the absolute decline in the number of barbers in a period when population and real income were rising and no radical changes in technology took place.

²⁰ *Census of Business, 1939*, Vol. III, *Service Businesses*, Table 3A; the figure is based on the number of full-time employees at work in the month of November 1949. The *Census of Business, 1948*, Vol. VII, *Service Trade*, Table 16, figure is based on number of paid full-workweek employees at work in the workweek ended nearest November 15, 1948; see *National Income Supplement, 1951, Survey of Current Business*, Table 26.