INCREASES in productivity, as measured by changes in constant-dollar sales per full-time equivalent worker have differed widely in two quite similar service industries. The barber's average annual rate of increase between 1939 and 1963 was .6 per cent per annum as contrasted with 1.5 for the beautician. Changes in the period 1948–63 have mainly been responsible for this difference. During these years the barber's rate of increase was only .3, whereas the beautician averaged 1.8 per cent per annum. In this period, prices in barber shops rose almost three times faster than in beauty shops. This striking contrast suggests that much may be learned about productivity by contrasting barber and beauty shops with each other.

Trends in receipts and employment in the two industries also differ sharply. Over the period 1929–63, current-dollar receipts of barber shops tripled, from $332 million to $907 million; in contrast, beauty shops have had more than a tenfold increase, from $159 million to $1,618 million. As the number of barbers has declined, the beauticians have almost trebled in number.

Among the factors traditionally believed to bear on changes in productivity, increases in capital per worker and economies of scale are of little importance in these two industries. Changes in the quality of the labor force, however, differ in the two industries and offer a partial explanation for differences in productivity. The labor force of barbers is a rapidly aging one in an industry which not only realizes no rewards from advanced age but suffers a reduction in productivity because of failing physical strength among older barbers. Cosmetology, on the
other hand, offers the opportunity for improved performance as the operator matures. This improvement is evidenced both in better techniques and in a more developed sense of organization. The distribution of age of beauticians has so altered over the years as to increase productivity. Additional vocational education has probably contributed also to the productivity of beauticians; increased formal education may have helped the barber. On balance, the effect of the changing quality of the labor force appears to have been of benefit to beauty shops but not to barber shops.

The impact of the most important technological change in barbering (the safety razor) has been to reduce the demand for the barber's services in terms of fewer services per person, which has resulted in lowering productivity in the most literal sense as it has created more idle hours for the barber. Technological innovations have saved the beauty operator time, augmented the over-all demand for her services, and increased the quantity of service requested at one time. The three effects have combined to increase productivity substantially.

Among less conventional factors, one of important consequence for beauticians is the high and increasing percentage of part-time employees. These workers are largely married women with qualifications equal to the full-time operators. Concentrated use of them is made during peak demand periods; as a consequence, fewer workers sit around idly when traffic is slow. Part-timers' average hourly earnings are substantially higher than full-timers'. Barber shops use few part-time workers, and have increased their use slowly in comparison to the beautician, thus contributing to their low increase in productivity.

Barbers have had a long history of increasing control over the industry by unions, licensing laws, and trade associations. New data (the 1/1,000 sample) provide evidence that despite these efforts at control, average hourly earnings of barbers are one-third less than those of other nonagricultural workers of similar color, age, sex, and education.

**Implications for Further Research**

The need for analysis of the individual service industries separately is evident. If two such similar industries as barber and beauty shops reflect such dissimilar productivity patterns, it is not unlikely that wide variations exist among services less closely related. This suggests that
research pertaining to the service sector taken as a whole has much to gain from the more detailed findings which will result from an examination of the various parts.

The unmeasured changes in productivity of the household are apt to have more bearing on the service than on the goods sector. Whenever the skill required to perform the service is relatively low and time can be saved by the consumer if he does the work himself, he is tempted to make this transfer. Improved technology often lends impetus. Not only do the more efficient use of time and improved technology motivate the consumer; as unskilled wages rise in relation to other wages, people tend to substitute their own labor for that of the unskilled worker’s.

The personal services are probably the focal point of this change in activity. Laundries present an obvious example. Electric washers and dryers are used extensively by the consumer, either at home or in large do-it-yourself centers. But the impact of the transfer of service to the home from industry is probably not limited to the more menial services. As the level of education has risen, services at one time thought difficult and therefore relegated to professionals are now attempted at home.

Analysis of only the conventional factors affecting productivity may be inadequate. The use of part-time help by barbers and beauticians may be one of the most important explanations of differences in productivity between the two industries. Many of the services, along with those of barbers and beauticians, must depend on the pace set by the consumer from day to day and hour to hour. How successfully an industry copes with this irregular flow of demand can make a vast difference in productivity. Some use self-service devices; others use part-time help; still others attempt to influence the flow of demand by lowering prices during slow parts of the week. Whatever device is used, its influence on productivity should be investigated. Immediate dependence on the pace of consumer demand is only one area. The point to be emphasized is that each service industry may be so individualistic that it is desirable that research go beyond traditional analysis of conventional primary source data to seek the kind of detailed knowledge of the industry not reflected in aggregate data.

It should be noted that several questions could not be investigated in the present study because no quantitative data existed. In other
areas conclusions had to be tentatively drawn because data were meager and inadequate. It was gratifying that Arthur M. Ross, when he was sworn in as the new Commissioner of the Bureau of Labor Statistics, remarked on the need for improved statistics in the service sector:

Much has been done to report on the newer occupations and industries, but even more remains to be done. If we need earnings and hours data for workers in manufacturing, mining, and construction, we need them just as much for those in offices, hospitals, and engineering firms. If labor turnover in the older industries is worth recording, it is even more significant in the newer industries where young people congregate. If we need to study wages, why not salaries and commissions? If we study labor-management relations in the manual trades, why not equally in the white-collar, professional, and governmental fields, including the activities of employee associations, which are not even called unions in American parlance? 65

Data on the barber and beauty industries are lacking in these respects:

In view of the importance of the role of part-time help, their hourly earnings need to be reported and distinguished from full-time hourly earnings. Because the self-employed represent such a large portion of those employed in both barber and beauty shops, their hourly earnings should also be reported separately.

In 1939, tips were estimated by the Office of Business Economics at 5 per cent and 8 per cent for the remaining benchmark years. The question arises whether today 8 per cent is not too low an estimate. Commissions also should be given consideration, since the status of workers operating on a straight commission basis approximates that of the self-employed.

At present, no record is kept of the cost of materials used in either industry. While figures on combined shipments of equipment to both industries are available, the separate shipments to each industry are not. This is one aspect of a broader problem. Often a statistic fails to distinguish between the barber and the beauty shop, but represents the sum of the two. They should be reported on separately since their behavior is frequently dissimilar.

The current price index for beauty services is based on samples of

65 Monthly Labor Review, November 1965, p. II.
Conclusion

prices of shampoos, sets, and permanent waves. If tinting has become as popular as is claimed, the price of this service should be included in the index. In connection with the price index, it would be helpful to make available more detailed information about the sampling process and the weights used for each of the different services in computing the average.

What direction might be taken by further research on the barber and beauty shop industries in particular? The present study has suggested that productivity is related to the flow and breadth of demand. Highly peaked demand periods interspersed among exceedingly slow periods depress productivity. Many beauty shop owners have sought to alter the flow of traffic by lowering prices during the early part of the week when demand is low. Further research might determine whether this action has been successful; if so, the feasibility of adapting it to barber shops might be investigated.

Demand can also be influenced through broadening it to include more services. The increase in the number of services offered by beauty shops stands in sharp contrast to the reduction in services offered by the barber. Beauticians believe advertising has contributed to the development of a wider variety of services demanded by the consumer. They have done little direct advertising themselves, but have reaped the rewards which have flowed from the advertisements of home products such as tints, permanents, creams, and lotions. At one time beauty parlors feared that the development and sale of these home products might hurt their business. The consensus currently, however, is that it has made females more conscious of changing styles in cosmetology, thus increasing demand and the variety of demand for beauty services.

If it is true that this effect has outweighed the adverse effect of sales to the home, consider the possibility of applying the technique to help strengthen and broaden the demand for barber services. There is some movement of fashion change taking place in barbering. Razor haircuts with higher styling are gaining acceptance. More men are becoming conscious of gray hair and are resorting to tints. So far, however, advertising is confined largely to shaving cream, after-shave lotion, razors, and razor blades. Advertisements geared to make men conscious that their present haircuts are stereotyped and warrant improvement might increase demand. Hair tinting is a service which
especially requires advertising to break down inhibitions. That men could be appealed to in this way is not far-fetched if it is recalled that there have been periods in history when men were far more imaginative in their tailoring and hair styling than they are now.

Another factor affecting productivity is the use of part-time help at peaked periods of demand. This is another area of sharp contrast between the two industries. There are few part-time barbers. A further study might determine whether this is primarily the result of the long periods of schooling and apprenticeship presently required of barbers. As heads of households most men require full-time employment, and some handle both a full-time and a part-time position. It is not difficult to imagine that a man would be discouraged from becoming a part-time barber, given the present laws regulating entry into bartering. If this is so, and the entry laws remain as they are, the possibility of women entering the industry to provide the necessary labor force should be considered.

It is evident from earlier remarks that productivity gains in barber shops have been limited by disguised unemployment. The industry employs a large percentage of older men who are willing to accept a work pattern of some productive activity combined with many idle hours. A problem which has received substantial attention recently concerns the destructive psychological effects on the individual created by premature retirement. As the age of retirement moves forward, the adjustment from activity to idleness has become a formidable obstacle for people to hurdle and threatens to become a sizable problem for society to solve. The barber has solved his own problem through compromise by combining some social life with some productive activity. It is difficult to imagine what society could suggest that would prove more acceptable.

This situation serves to remind us of the limitations of the concept of "measured productivity." In terms of it the barber's performance appears to be low. However, had productivity been defined in broader terms so as to include a measure of the use of productive resources, barber shops might rank high on the list. Similarly, the real estate

---

66 Such advertisements for men might produce double results by increasing the service among both men and women. A recent survey of the John H. Breck Company revealed that the most frequently reported explanation given by women for not tinting their hair was husband or family disapproval.
industry offers employment to the elderly at a pace considerably slower than that of the younger agents. There may be other industries organized in this way. Future studies of productivity should investigate this aspect of the problem, and some quantitative methods need to be devised to measure and evaluate this contribution to society.