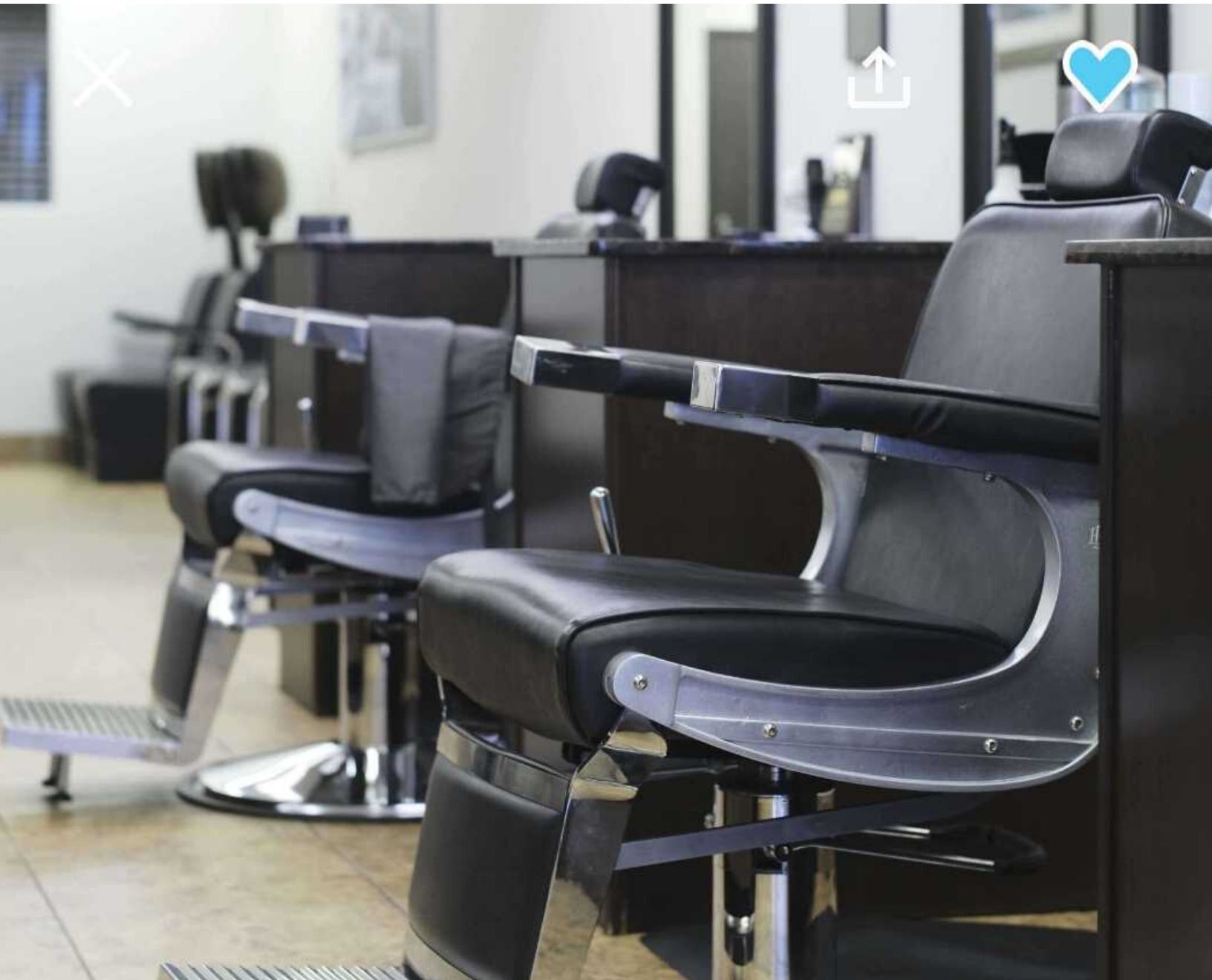


JUNE 2020

The Current State of the Beauty & Barbering Industry Post-COVID-19

PART I

SHEARSHARE, INC.



Countless beauty and barbering pros have been affected by the pandemic

More than 40.8 million Americans have filed for unemployment aid in response to COVID-19. According to a Poshly, Inc. report, that equates to over 1 million beauty and barbering professionals having lost their jobs as a result of the outbreak (65%) and 78% of industry pros not having access to paid sick leave benefits.

Left with little to no resources as states deemed salons and barbershops “non-essential,” millions of our small businesses were shut down to help limit physical co-location while efforts to flatten the curve were initiated.

Fast forward 75 days.

Stay-at-home orders are now being lifted, and states are beginning the painstaking work of rebounding from the impact of the novel coronavirus. But what is the general sentiment of beauty industry professionals as we look to rebuild our small businesses to pre-pandemic levels?

ShearShare, the largest provider of on-demand salon and barbershop space rentals worldwide, surveyed over 7,300 US-based licensed cosmetologists, licensed barbers, salon owners, spa owners, and barbershop owners to get a sense for how they’re thinking about life after COVID-19.

This white paper is the first in a two-part series that examines the changing norms of how licensed cosmetologists and barbers are choosing to work their essential businesses after states reopen.

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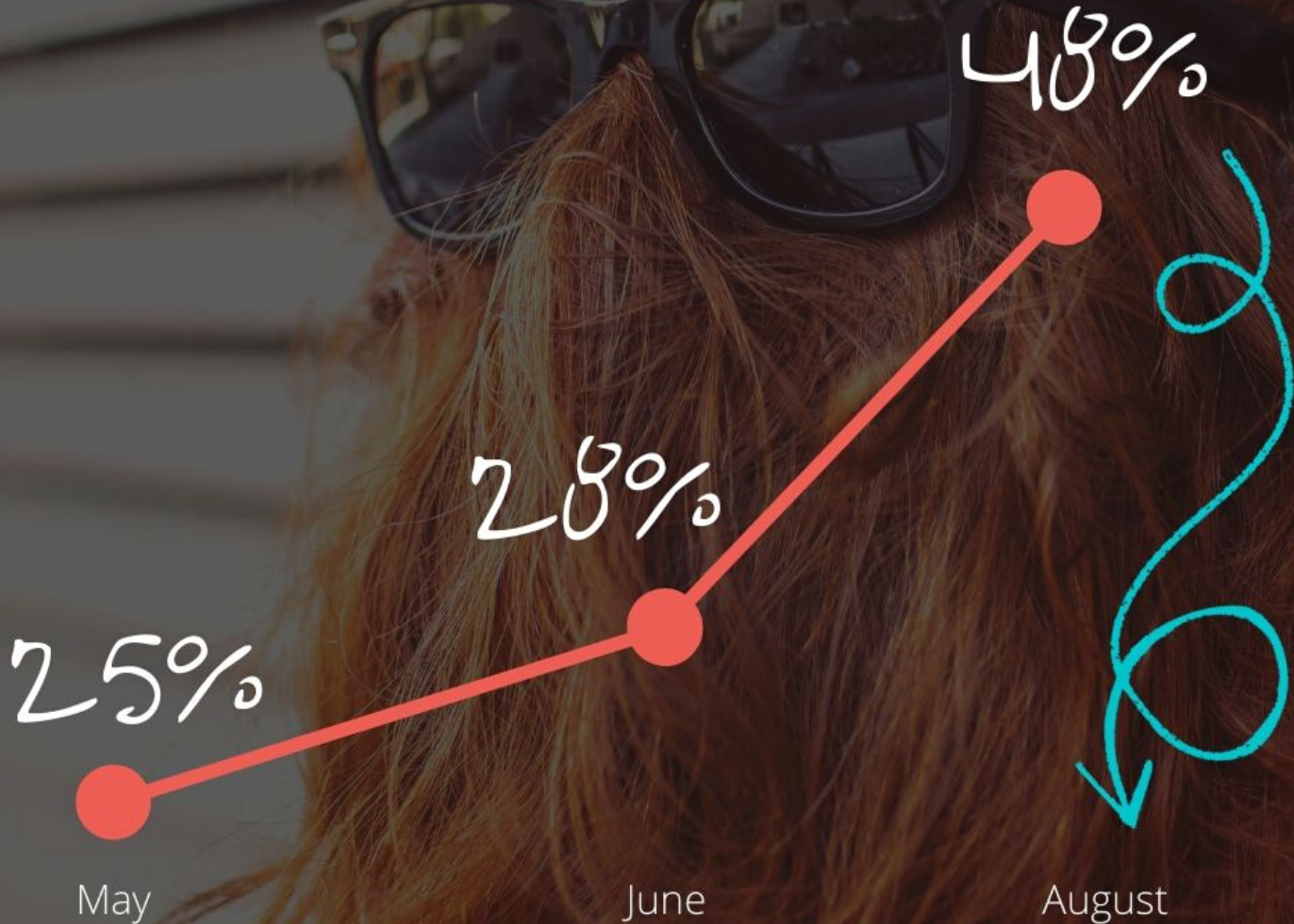
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WHEN DO YOU EXPECT TO

RETURN TO WORK?



Source: <https://www.techrepublic.com/article/majority-of-americans-would-feel-uncomfortable-returning-to-work-knows/2020/05/04/>

The majority of stylists don't expect to return to work until after May

As a growing number of states ordered their residents to either shelter in place or stay at home, COVID-19's effect on the salon and barbershop industry became widespread very quickly. When US-based stylists were asked when they expected to return to work, many didn't have confidence that May would be their rebound month.

Majority of stylists

FEEL UNCOMFORTABLE RETURNING TO WORK

67%



**don't want to go
back to work yet**

63%



**are counting on the
CDC's OK v. their state**

Half of survey respondents would also like their state officials to be on the same page as the CDC. Survey taken mid-April.

Source: <https://www.techrepublic.com/article/majority-of-americans-would-feel-uncomfortable-returning-to-work-now/>

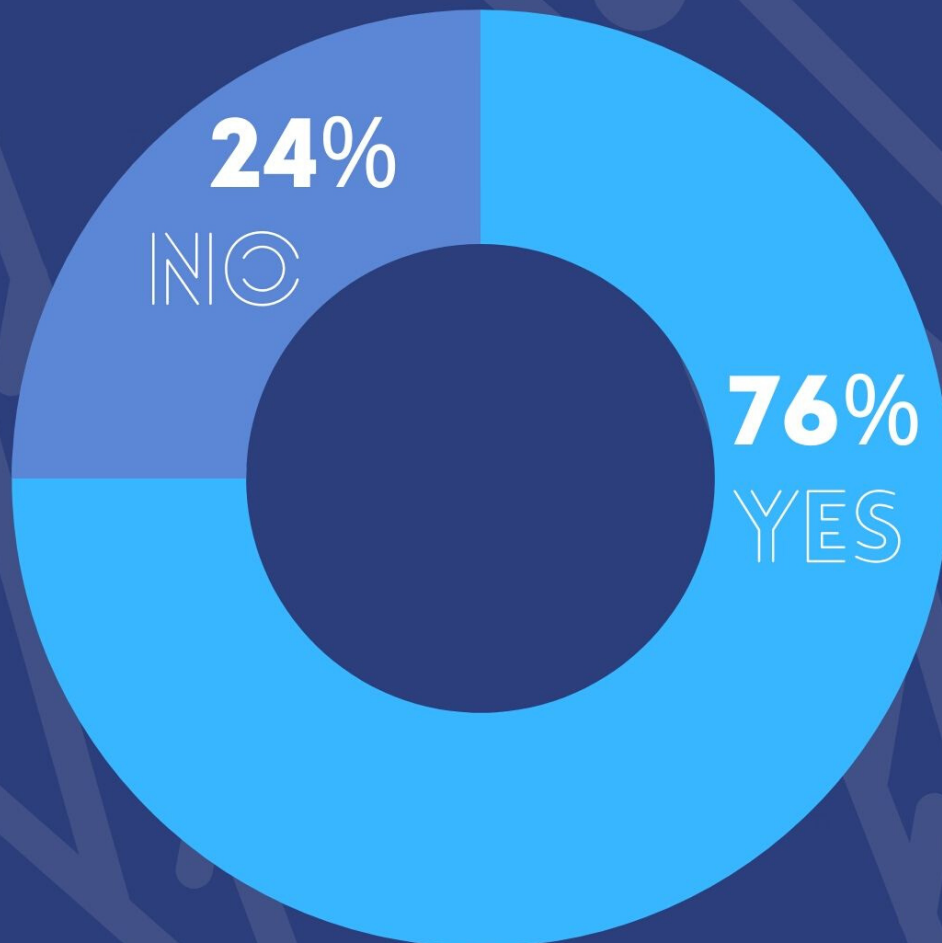
67% of cosmetologists, 27% of barbers didn't feel comfortable returning to work

As a collective, beauty and barbering professionals didn't feel safe returning to the workplace when first surveyed in April 2020: 67% of licensed cosmetologists and 27% of licensed barbers felt uncomfortable returning to work in the then-current climate. Sixty-three percent of cosmetologists and 23% of barbers preferred the opinion of the CDC versus their local officials.

ARE YOU READY

TO RETURN TO WORK NOW?

May 15, 2020

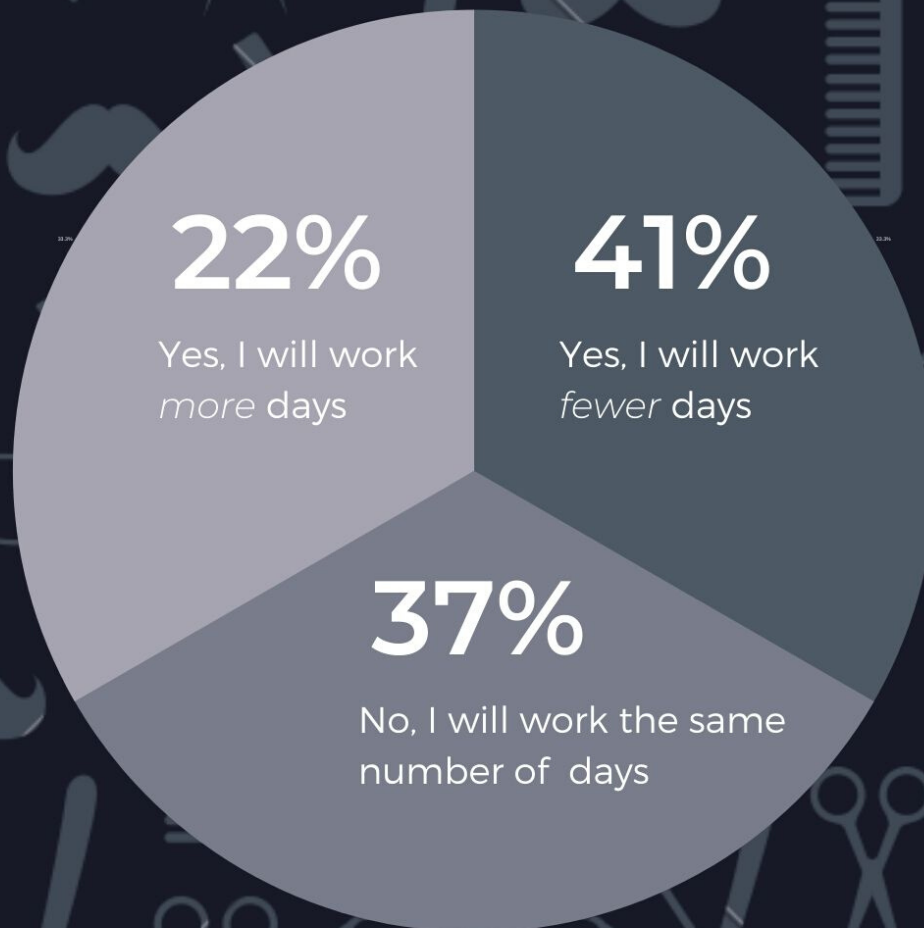


Asked the same question just 30 days later, 76% of stylists say they are ready to work again

Stylist sentiment shifted in a major way in mid-May after 30 more days of sheltering in place. More specifically, 97% of licensed barbers feel comfortable returning to work given the current guidance, and 76% of cosmetologists are now ready to reopen their beauty businesses.

78% of stylists expect to work either fewer days or the same number of days

With an estimated 50% of licensed professionals having been displaced by COVID-19, stylists are taking time to revisit their priorities, including how to better manage operating costs, simplify their schedule, and maximize revenue per days worked. When stylists do return to the salon or shop post-coronavirus, the majority will adjust their time spent behind the chair.

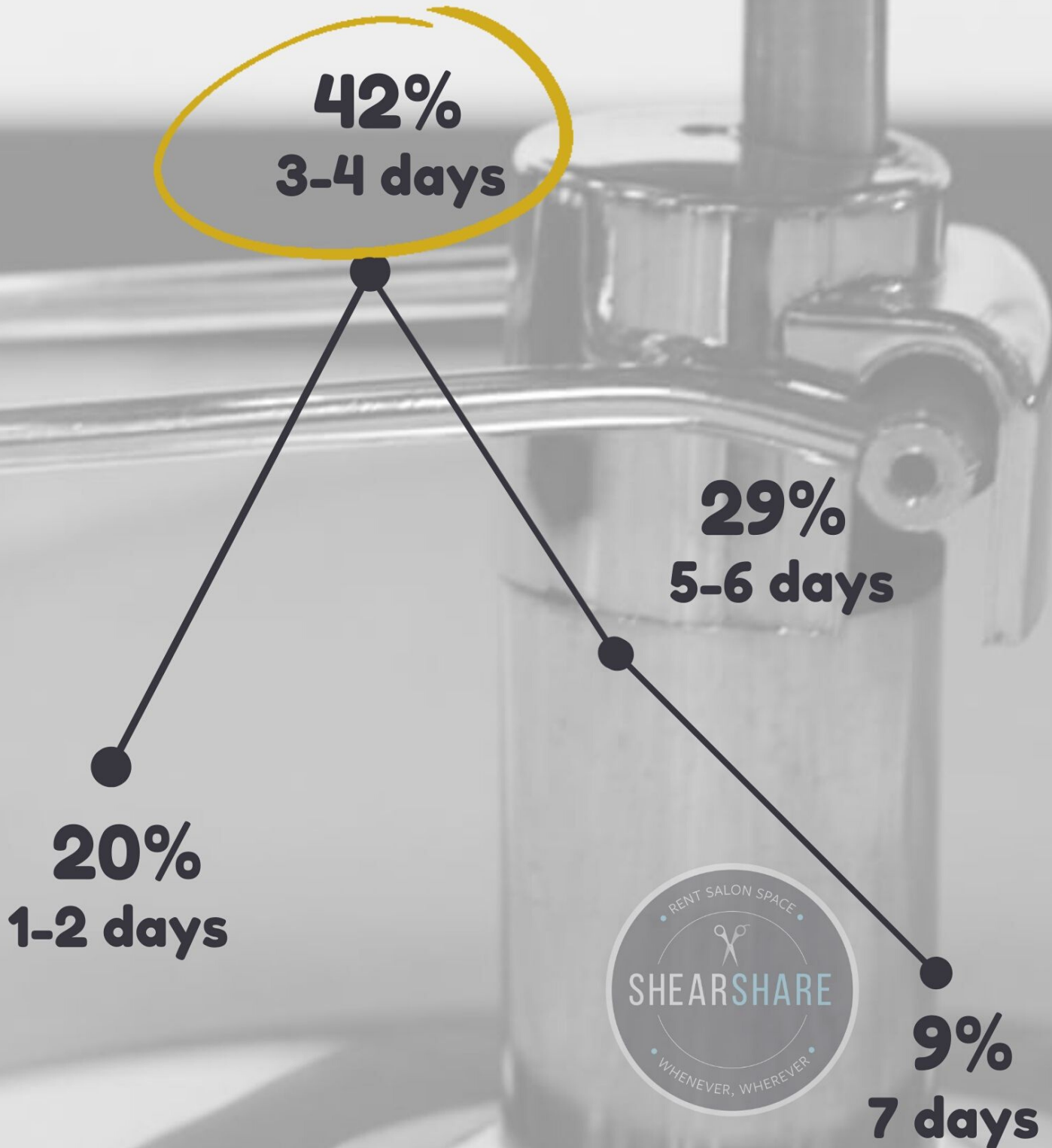


Will Your Work Schedule Change
AFTER COVID-19?

how many days per week do you plan to work

ONCE YOUR STATE REOPENS?

ShearShare Survey





HOW ARE YOU INTERESTED IN WORKING AFTER COVID-19?

76%

Daily booth rental

30%

By contract
(long-term booth rental)

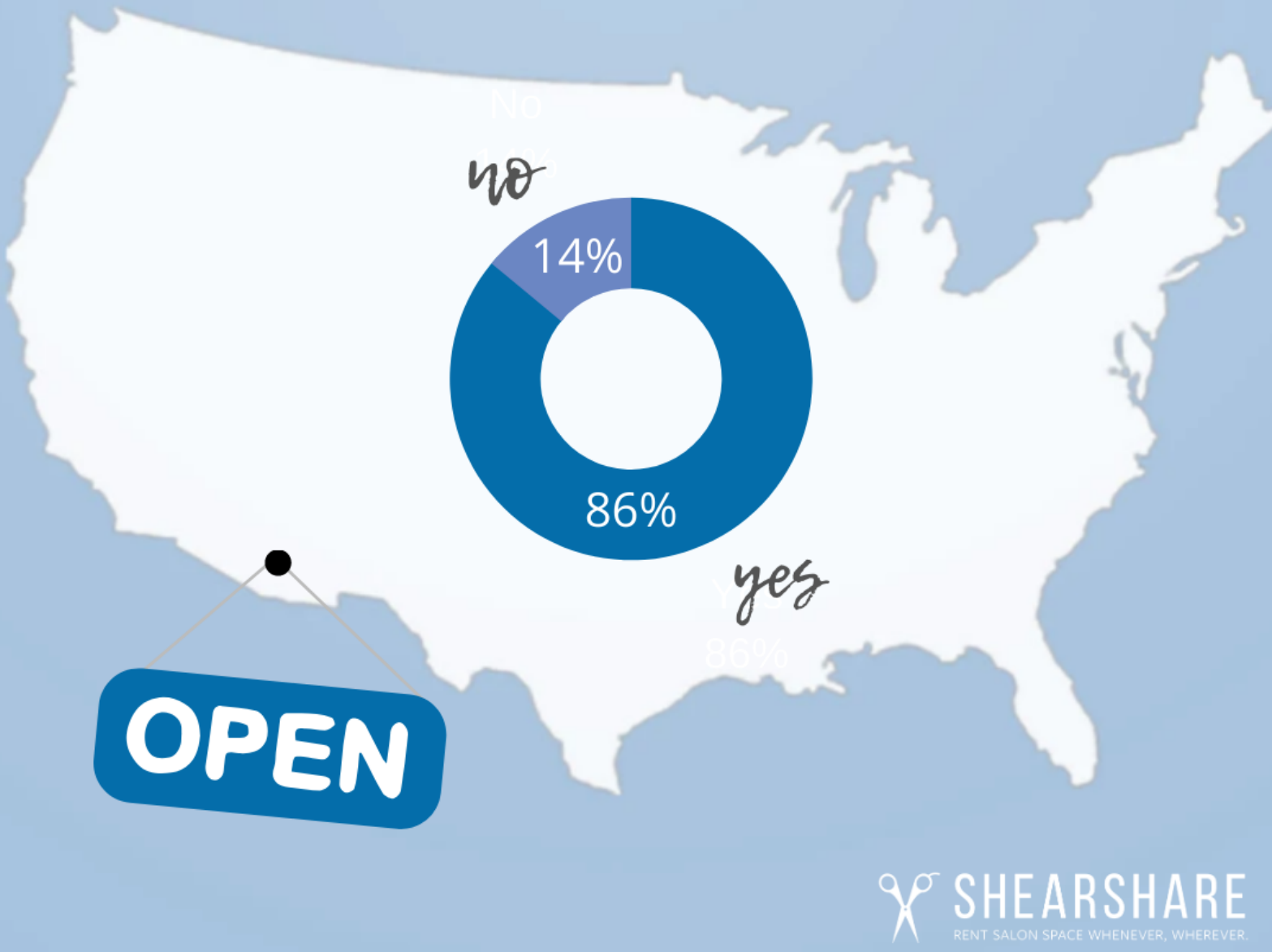
4%

By commission



GIVEN THE CURRENT CLIMATE,

would you consider servicing clients on a Sunday/Monday when the salon is typically closed?

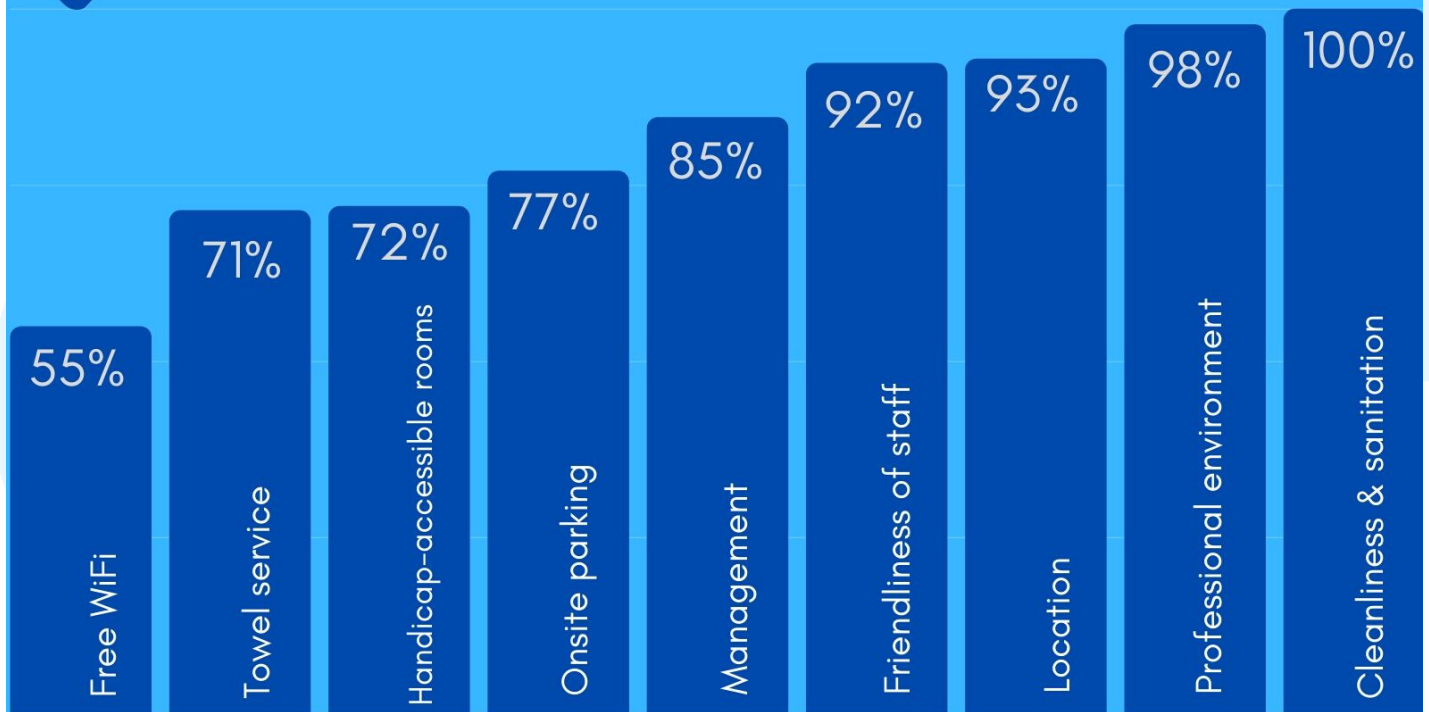


Nearly 9 out of 10 stylists are planning to open their books on their typical "off days"

As the second largest industry for freelancers turns its attention to a new operating normal, many beauty and barbering professionals will offer client appointments on the coveted Sunday and Monday--two days that historically have been held in high regard as stylist "off days."

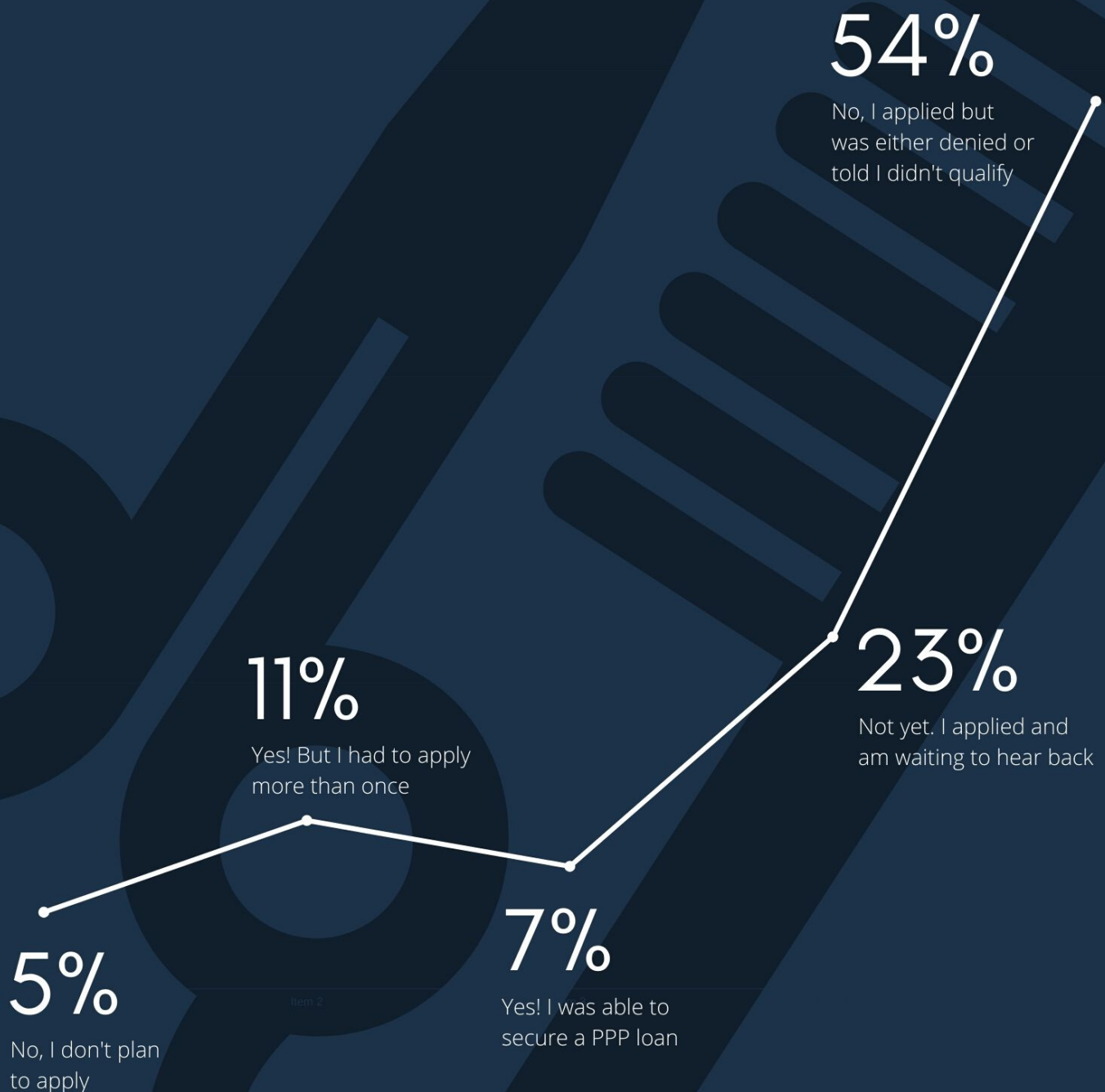


When deciding
**WHERE TO WORK
AFTER 'RONA,**
what aspects of the salon or
barbershop are important to you?



THE PPP LOAN

Were you able to secure SBA funds for your beauty or barbering business?



What addt'l streams of

INGOME

**DID YOU ATTEMPT
DURING COVID-19?**



Curated @home care packages for clients

11%

Sold my salon/shop retail online

17%

Offered eGift cards, pre-pay discounts

20%

Held virtual 1-on-1 consultations

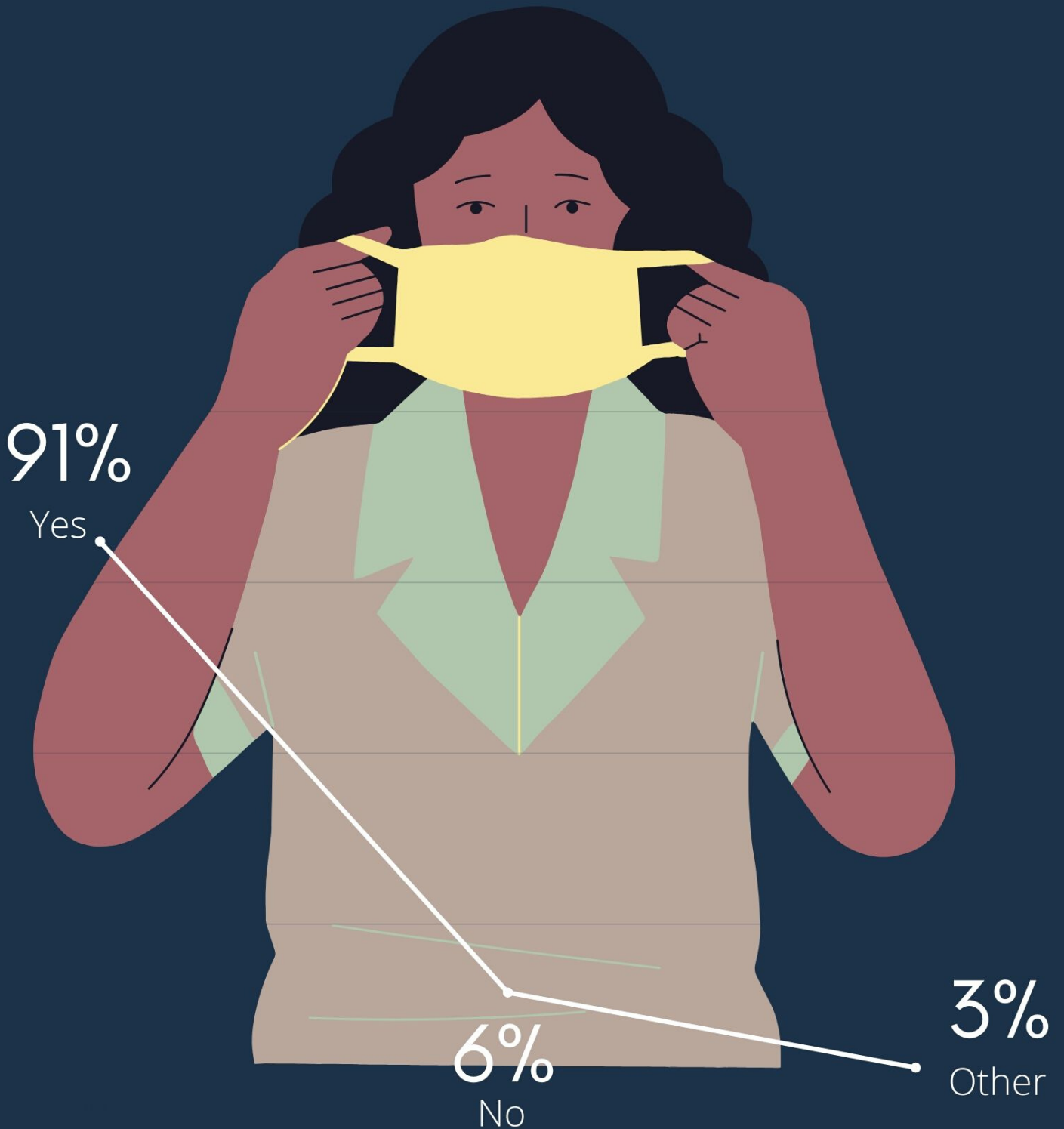
22%

I did not transition any of my business online

30%

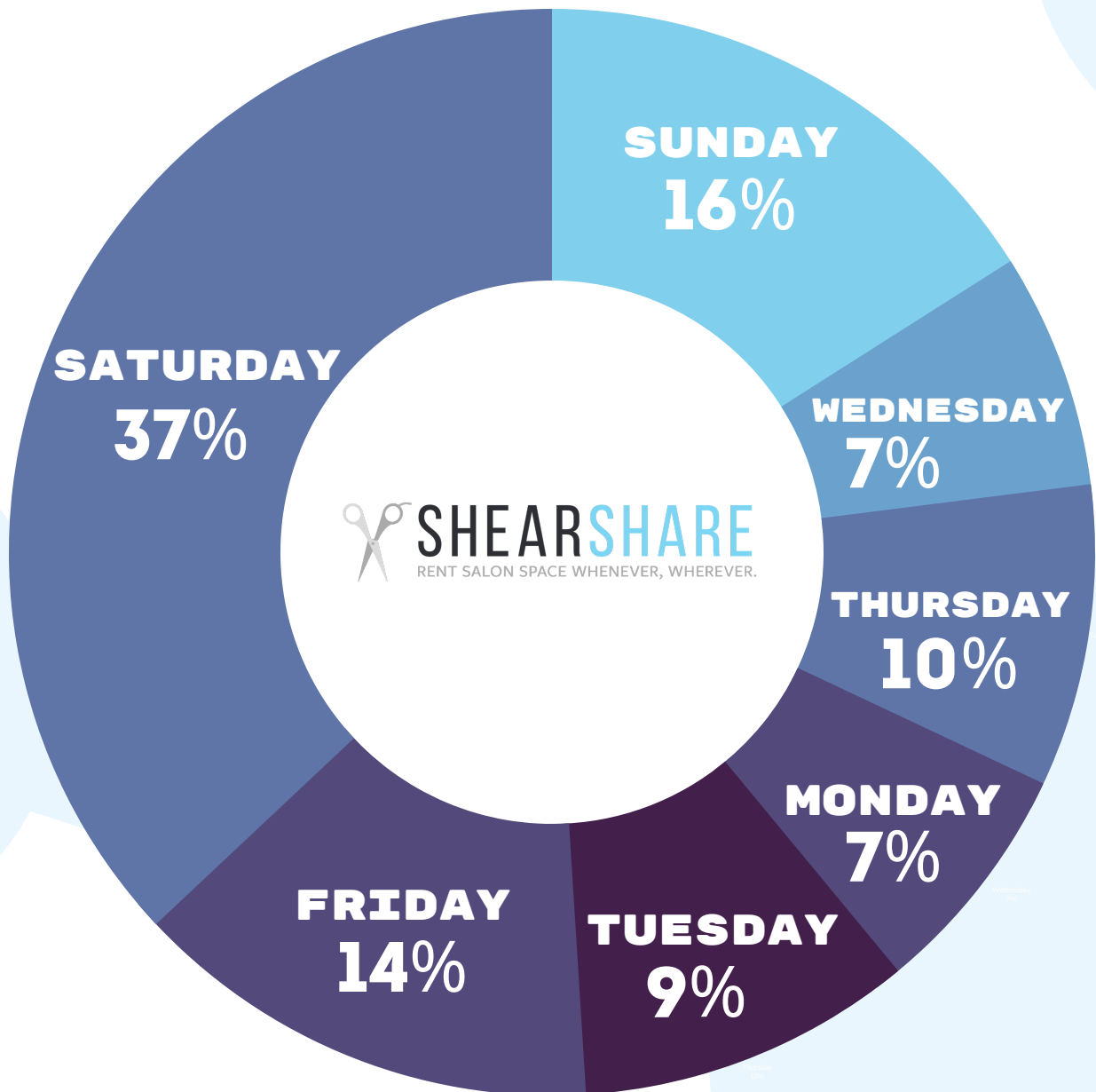
ACCESSING PPE

Were you able to secure PPE for your beauty or barbering business?



What days

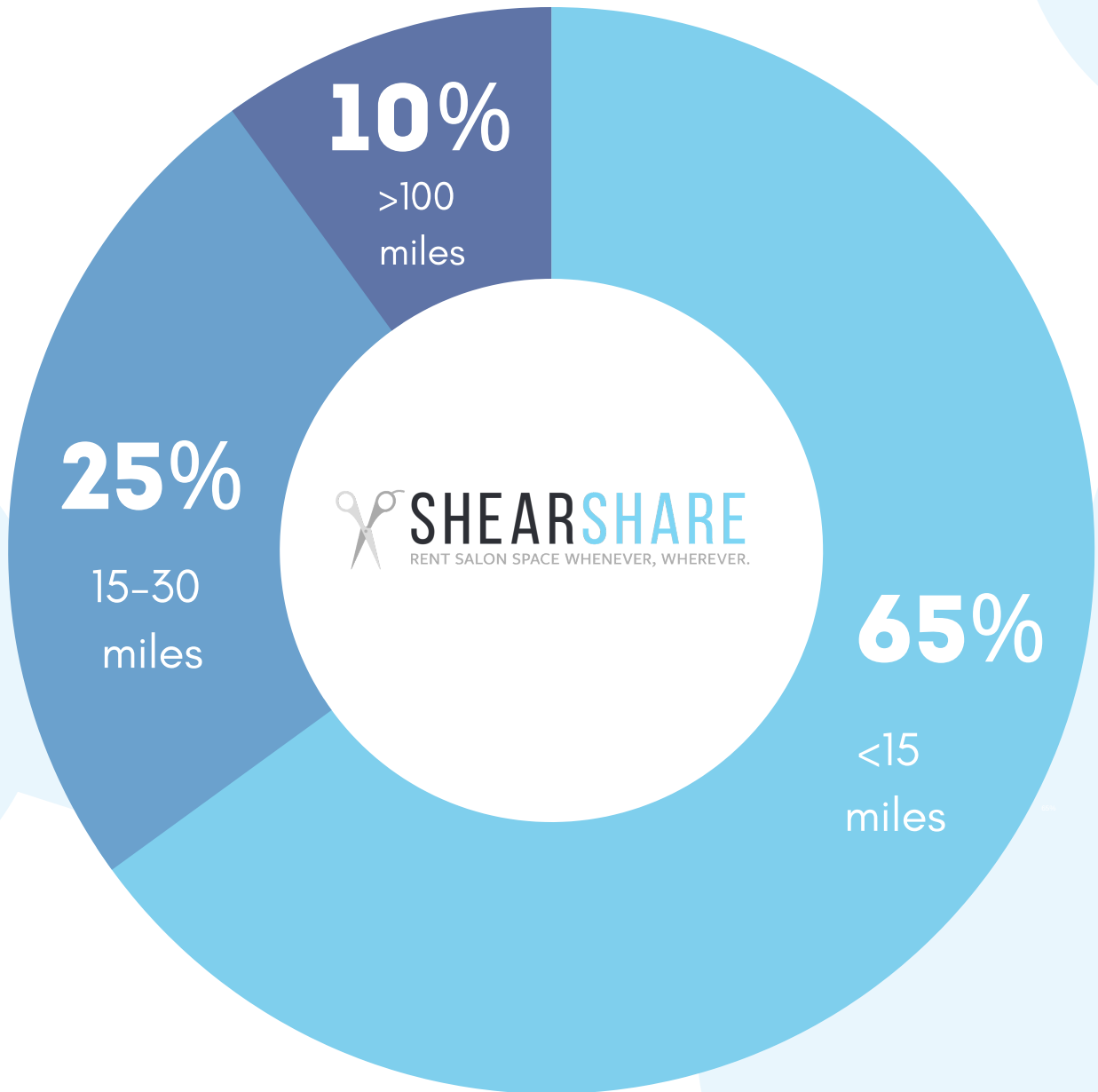
DO YOU PLAN TO WORK AFTER YOU REOPEN?



POST-COVID-19

how far from home will you travel to find

SALON + BARBERSHOP SPACE TO WORK?



Suites ^{OR} STATIONS?

55%

Before COVID-19, stylists booked more open stations (55%) than private suites (45%) on the ShearShare app.

As states reopen after COVID-19, ShearSharers are booking even more open stations (65.5%) on the ShearShare platform.

65.5%

Spending TRENDS

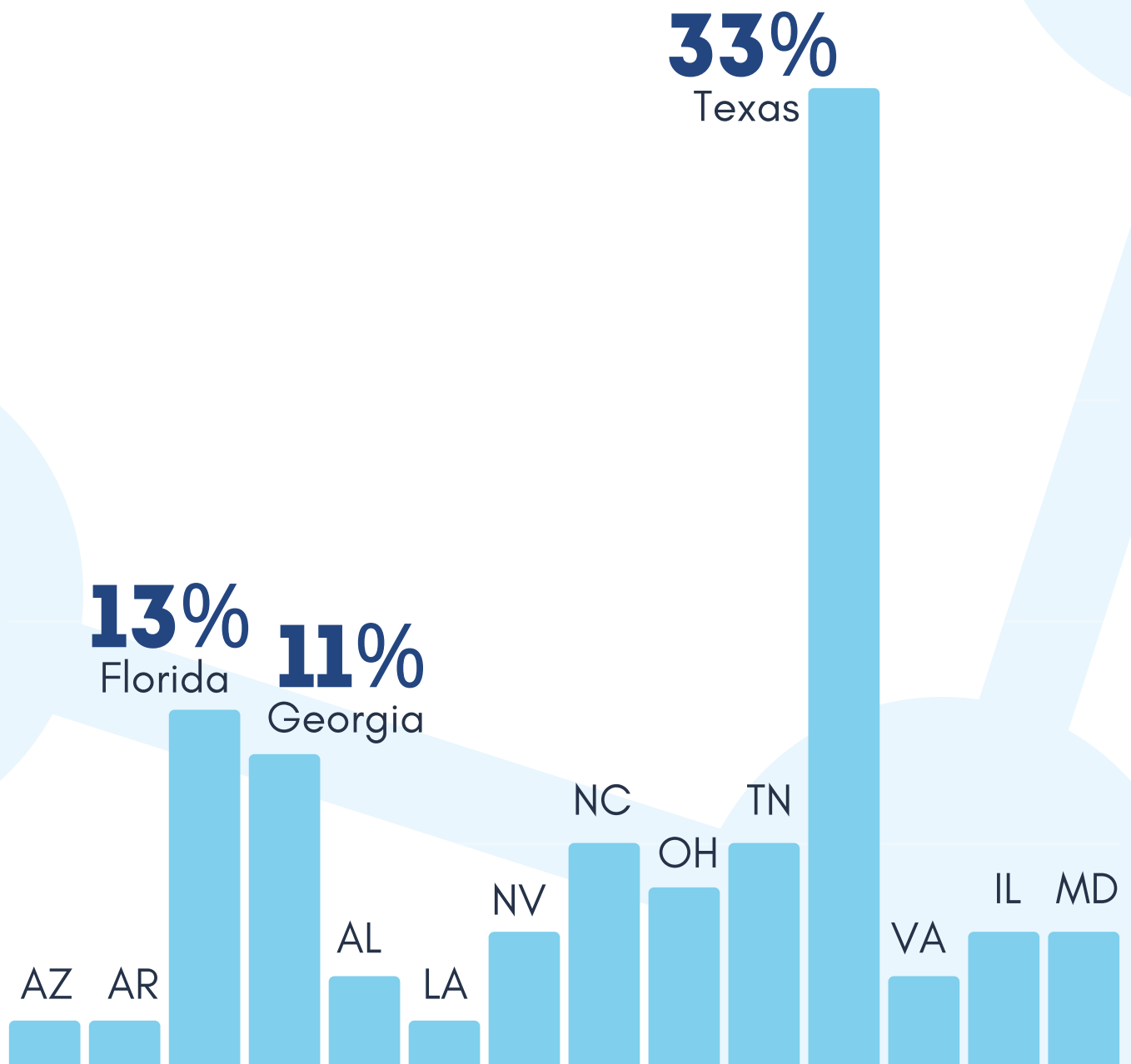
\$55

Before COVID-19, stylists spent an average of \$55/day to rent a salon suite or barbershop station on the ShearShare app.

As states reopen after COVID-19, ShearSharers are spending 14% more to rent professional salon or barbershop space near them by the day in lieu of being tied down to long-term lease contracts.

\$63

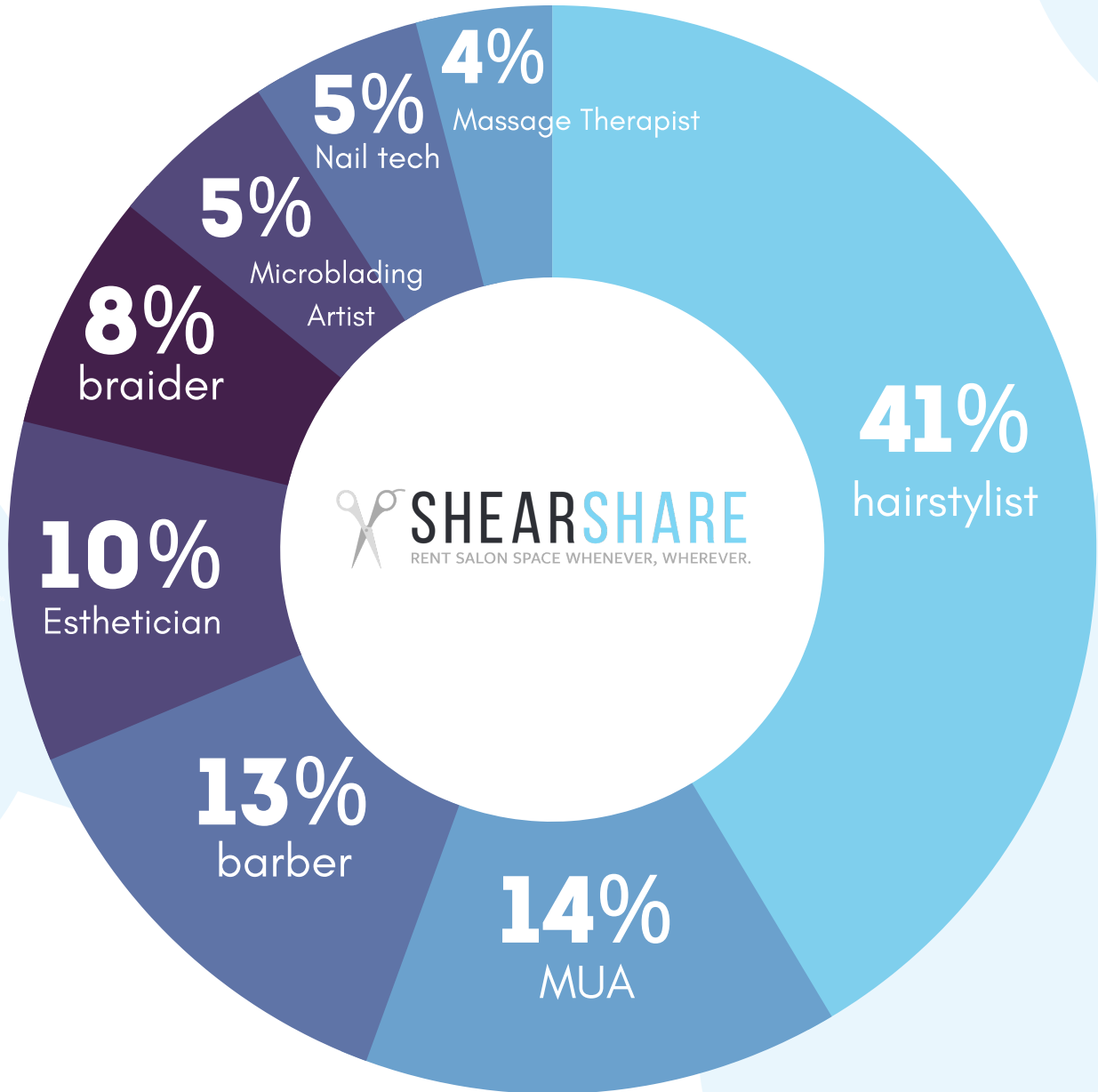
THE MOST ACTIVE STATES FOR DAILY BOOTH RENTAL AS STATES BEGIN TO REOPEN



*Twenty-four states had reopened at the time of this report

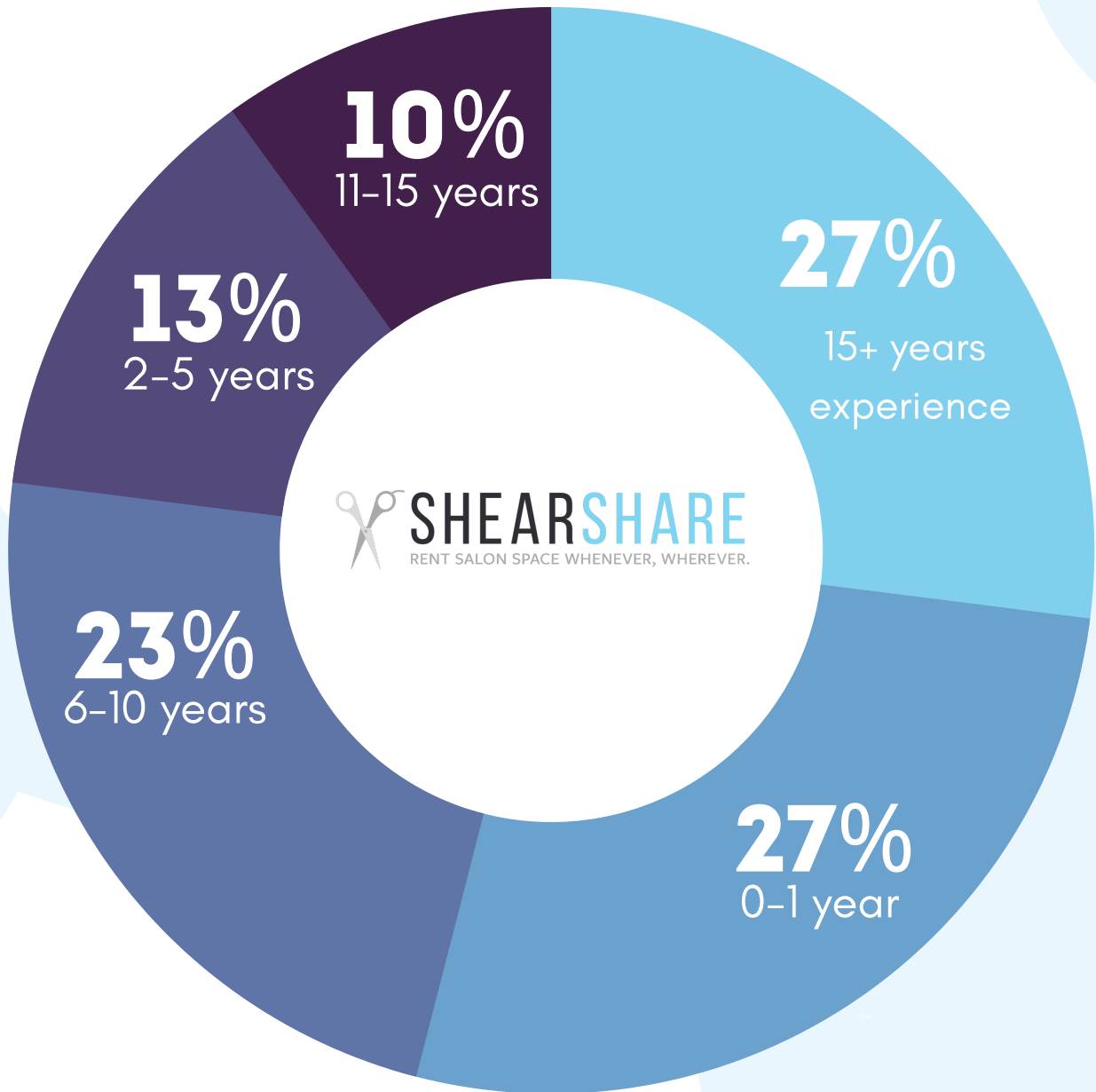
Breakdown

OF SURVEY RESPONDENTS, PART I



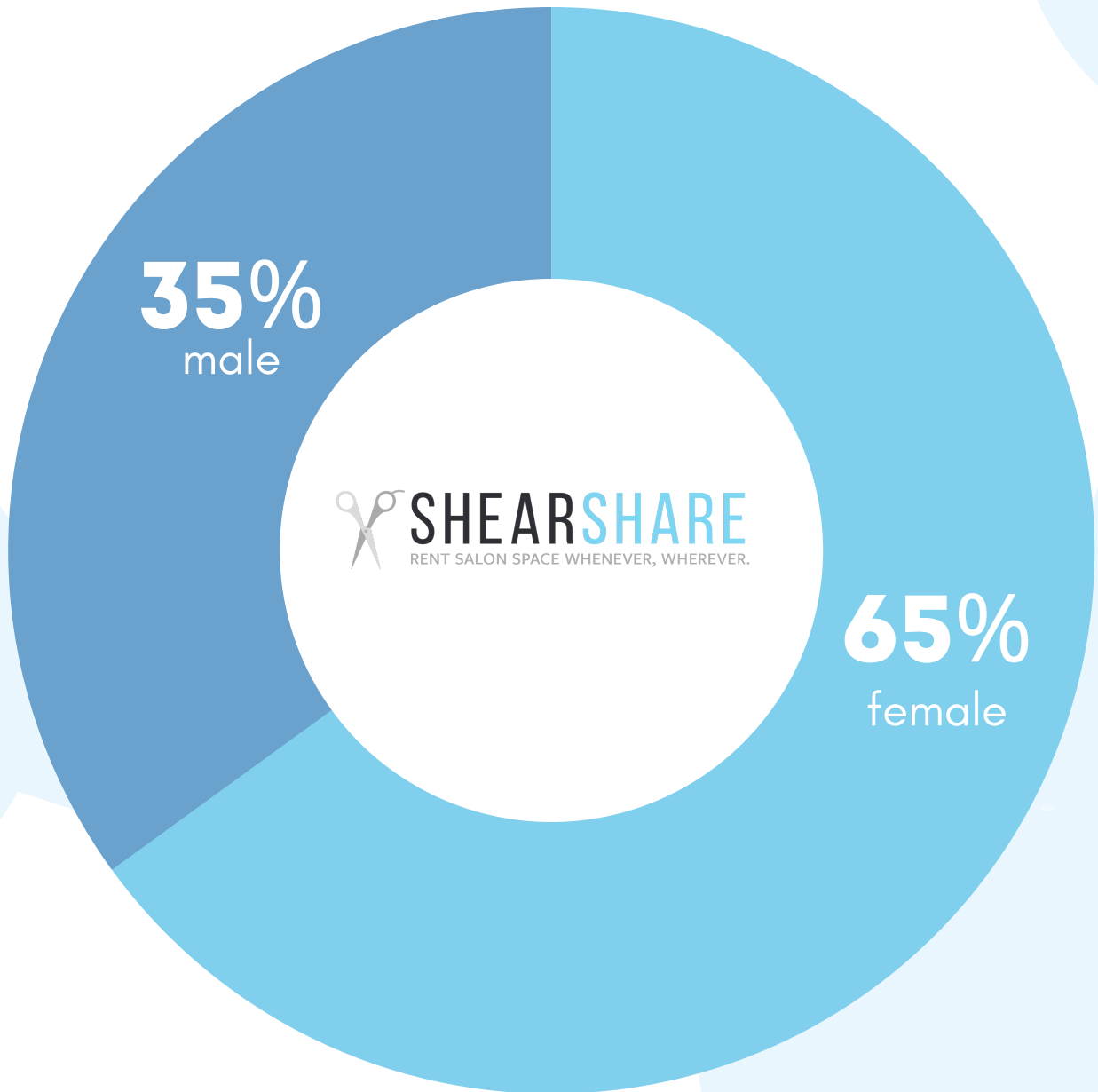
Breakdown

OF SURVEY RESPONDENTS, PART II



Breakdown

OF SURVEY RESPONDENTS, PART III



Lessons learned from 2008 applied to 2020

Resources to help

Next steps

A return to business is imminent. And although it may not feel like it now, growth for our industry is also imminent.

During the height of the Great Recession, between 2008 and 2009, the number of mom-and-pop hair salons actually increased by nearly 8%, according to the most recent data available from the Census Bureau. And, although the U.S. economy lost 1.6 million jobs between January 2000 and March 2011, salons and spas *added* 75,000 jobs during the same period, according to the Professional Beauty Association.

Furthermore, the Bureau of Labor Statistics estimates that barber, hairdresser, and cosmetologist jobs will grow 8 percent from 2018 to 2028, faster than the average for all other occupations.

Having survived Y2K, Ebola virus, the 2008 recession, and other economic downturns, we know that the beauty and barbering industry is resilient in the face of natural disaster. As an evergreen industry, we are indeed tenacious in how we reconstruct and how quickly we can rebuild.

For actionable strategies on how to rebound from COVID-19 a stronger leader with a stronger business, please visit <https://shearshare.com/buildmybusiness>.

We hope these industry benchmarks from over 7,300 licensed professionals and small business owners provide insight into how our industry plans to bounce back from this most recent pandemic.

Part II of "The Current State of the Beauty & Barbering Industry Post-COVID-19" will be released in Q3 2020.

For fellow cosmetologists and barbers

"As one of the first states allowed to reopen, our Georgia barbershop took the necessary precautions early on. Clients appreciated our consistent communication and witnessed our new safety protocol and shop restructuring process via social media. We instituted team trainings and meetings to navigate our new space and reopened safely on May 1. As a result, we've been booked everyday! Our next challenge to overcome will be how to handle walk-in requests, especially since we are taking fewer clients per day in order to follow our new protocol."

ShearSharer Yisrael Wright, Owner of Yizclusive Experience, Atlanta's Full Men's Grooming Spa

Below are some valuable resources curated just for you to help you restart:

1. A [proof-positive CARE Strategy for reopening your salon or barbershop safely](#), including a free client statement of health template
2. [BARBICIDE COVID-19 Certification](#)
3. [Where to find affordable PPE](#) for your salon or barbershop
4. 5 tried-and-true ways to [adjust your prices after COVID-19](#)
5. [90+ resources to help you win](#) as an industry entrepreneur now and post-COVID-19
6. Save more money, make more money with [the new ShearShare platform](#)