

## RESEARCH SUMMARY

## Untangling Hair Braider Deregulation in Virginia: A Case Study Approach

---

Occupational licensing laws make it illegal for an individual to work in an occupation before meeting minimum standards for entry. Workers whose occupations are subject to licensing range from physicians and dentists to cosmetologists and barbers. Though some licensing proponents claim that licensing improves the quality of services delivered to consumers, this argument is weak for certain occupations. In fact, occupational licensing may limit employment opportunities in a labor market already experiencing a dwindling participation rate.

In “Untangling Hair Braider Deregulation in Virginia: A Case Study Approach,” Edward J. Timmons and Catherine Konieczny investigate the effects of licensing hair braiders in Virginia. Virginia removed licensing requirements for hair braiders in 2012. The study uses this regulatory change to compare counties in Virginia with bordering counties in North Carolina, West Virginia, and Kentucky in order to estimate whether removing licensing requirements had a significant impact on the number of salons, the number of salon employees, or the wages of those employees. This comparison provides a one-of-a-kind examination of the impact of Virginia’s deregulation of hair braider licensing on economic outcomes.

### KEY FINDINGS

- Following Virginia’s deregulation in 2012, the number of beauty shops in Virginia counties grew 7 percent more than the number in neighboring counties in bordering states.
- Expensive occupational licenses significantly impact enterprising proprietors, who are prevented from opening new establishments.
- Evidence suggests that deregulation created more opportunities for smaller owner-operated beauty salons in Virginia, because it was associated with a more than 8 percent increase in proprietor density.

As shown in figure 1, thirteen states require aspiring hair braiders to obtain a cosmetology license. Fourteen states have specific hair braiding licenses that are generally less burdensome than the requirements for cosmetologist licensing in the state. Though there are debates about the unique risks of hair braiding for consumers, cosmetology training addresses neither those risks nor the unique skills involved in hair braiding.

### HAIR BRAIDING RISKS ARE OVERBLOWN

A recent study performed by the Institute for Justice (IJ) explores whether hair braiding presents risks to consumers. After reviewing the data for nine states and Washington, DC, from 2006 to 2012, IJ finds that

- only 95 complaints were filed against hair braiders (meaning approximately 1 percent of licensed hair braiders received complaints), and
- all but one of these complaints were filed by competing cosmetologists, not by consumers.

