

Legislation Text

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Authorizing the Committee on Commerce and Economic Development to hold hearings to examine the economic impact of the COVID-19 pandemic on professional services, specifically barbershops and beauty salons; to assess the impact of the SABER grants administered by the Commerce Department; and to explore the creation of a new specialized grant program for barbershops and beauty salons.

WHEREAS, Traditionally, barbershops and beauty salons, particularly Black and Brown barbershops and beauty salons, have served as more than just cosmetic institutions. These types of businesses serve as a springboard into entrepreneurial careers; a cultural meeting place across communities; a safe space for men, women, and children; and a place where people get access to vital health, educational, social, and political resources; and

WHEREAS, At the onset of the COVID-19 pandemic, barbershops and beauty salons suffered tremendous economic setbacks as businesses were forced to close. These types of professional services were grossly limited due to the structure of their service delivery in open spaces with little to no ability to isolate; and

WHEREAS, According to the Bureau of Labor Statistics, between February and April 2020, the number of jobs at employment-based salons plunged by 84 percent. Even as the industry began to gradually recover in April 2020, the Professional Beauty Association reported that only 93,000 people nationwide were on payroll at employment-based salons - down from 569,000 in February 2020 (right before the pandemic). Their report noted this was the fewest number of salon jobs in well over five decades; and

WHEREAS, In the City of Philadelphia, according to the Pennsylvania Professional Image Alliance (PPIA), more than 90 percent of stylists and barbers experienced a significant loss in business revenue, clientele, and bricks and mortar locations, and many were forced to use already limited resources to install safety mechanisms in their shops. Some took more extreme measures and had to pivot to operating from their home, or had to convert to a mobile service to visit clients' homes. And some had no choice but to file for unemployment while they waited for an opportunity to apply for local, state, and federal grant assistance; and

WHEREAS, To its credit, Philadelphia's Commerce Department observed the economic impact of the pandemic on this particular industry, and then acted. The Commerce Department - in partnership with the Office of Community Empowerment and Opportunity (CEO), VestedIn, Entrepreneur Works, and PPIA - established the Salon and Barbershop Emergency Relief (SABER) Program, which provided 159 hair care businesses with small grants for a total program cost of \$795,000. The program was designed to provide financial relief to businesses in the hair care industry that were among the most adversely impacted by the City's pandemic-related restrictions; and

WHEREAS, The businesses were selected from a pool of businesses that had already applied for grants with the City's COVID-19 Small Business Relief Fund and with the Commonwealth-funded COVID-19 Relief Pennsylvania Statewide Small Business Assistance program. However, due to the limited resources in the SABER Program, program access was limited to just seventeen zip codes in the City, excluding an extensive number of business owners who were equally at risk of losing their businesses, storefronts, clientele, and

lifelong investment; and

WHEREAS, Barbers and stylists continue to navigate the pandemic, hoping for economic recovery, but still facing challenges such as inflation and supply chain issues. Many have not reached pre-pandemic revenue levels, and they continue to face challenges tackling professional and personal debt that accumulated during the pandemic, rebuilding clientele, rebranding business services, and fighting to support their families; and

WHEREAS, Barbershops and beauty salons are instrumental in communities. They help stabilize neighborhood business corridors in their role as destination services, bringing people to corridors who then patronize other nearby businesses, including apparel shops and restaurants, which ultimately has a positive impact on the overall stability of the corridor. As we move forward from the COVID-19 pandemic and its economic fallout, the City must explore new ways to support these institutions; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That it hereby authorizes the Committee on Commerce and Economic Development to hold hearings to examine the economic impact of the COVID-19 pandemic on professional services, specifically barbershops and beauty salons; to assess the impact of the SABER grants administered by the Commerce Department; and to explore the creation of a new specialized grant program for barbershops and beauty salons.