

## A HAIR & BEAUTY SECTOR SURVIVAL STORY 2020-2022

### HAIR & BEAUTY SECTOR BUSINESSES

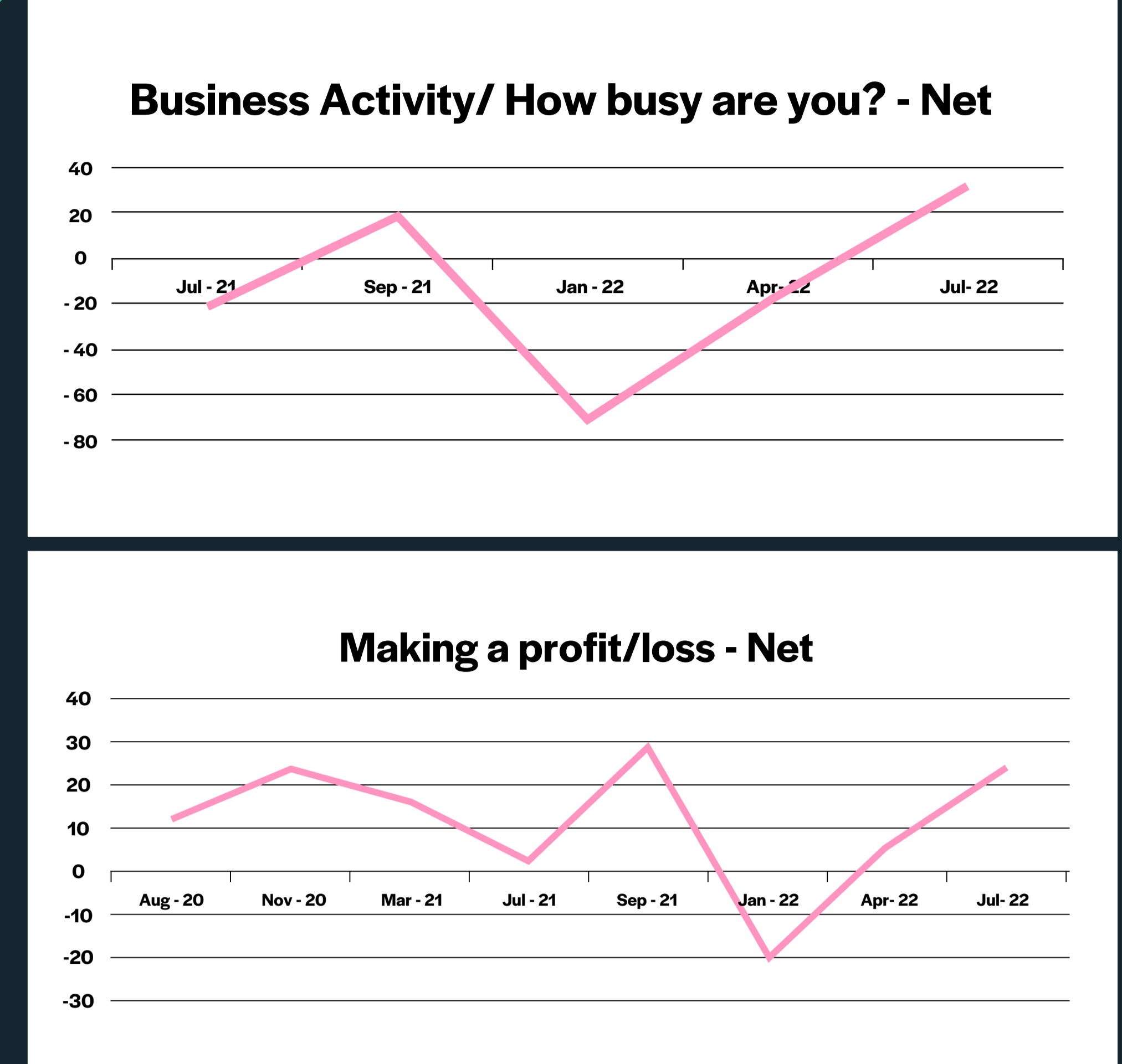
have ridden the **rollercoaster volatile business environment** of the last two years of lockdowns and restrictions across the UK.



### AFTER AN INITIAL RECOVERY IN SEPTEMBER 2021,

businesses are **only just returning to similar levels of business activity and confidence, in July 2022.**

**Productivity** of sector businesses is now **increasing** and looking more **positive.**



### HOWEVER,

businesses are **putting up prices** to cope with the **'cost of doing business' crisis.**

Costs of **most impact** on sector businesses include:

- Energy costs;
- Supplier costs;
- Rises to the National Minimum Wage/National Living Wage (NMW/NLW).



### SECTOR RELIANCE ON GOVERNMENT SUPPORT

for survival has been **heavy**, peaking at **80%** in **January 2022** but still high at **50%** in **July 2022.**



### EMPLOYMENT INTENTIONS

have been **subdued and relatively static**, with businesses only **now slightly more positive** about taking on more staff and apprentices.



### THE NHBF IS CONTINUING TO ASK THE GOVERNMENT FOR:

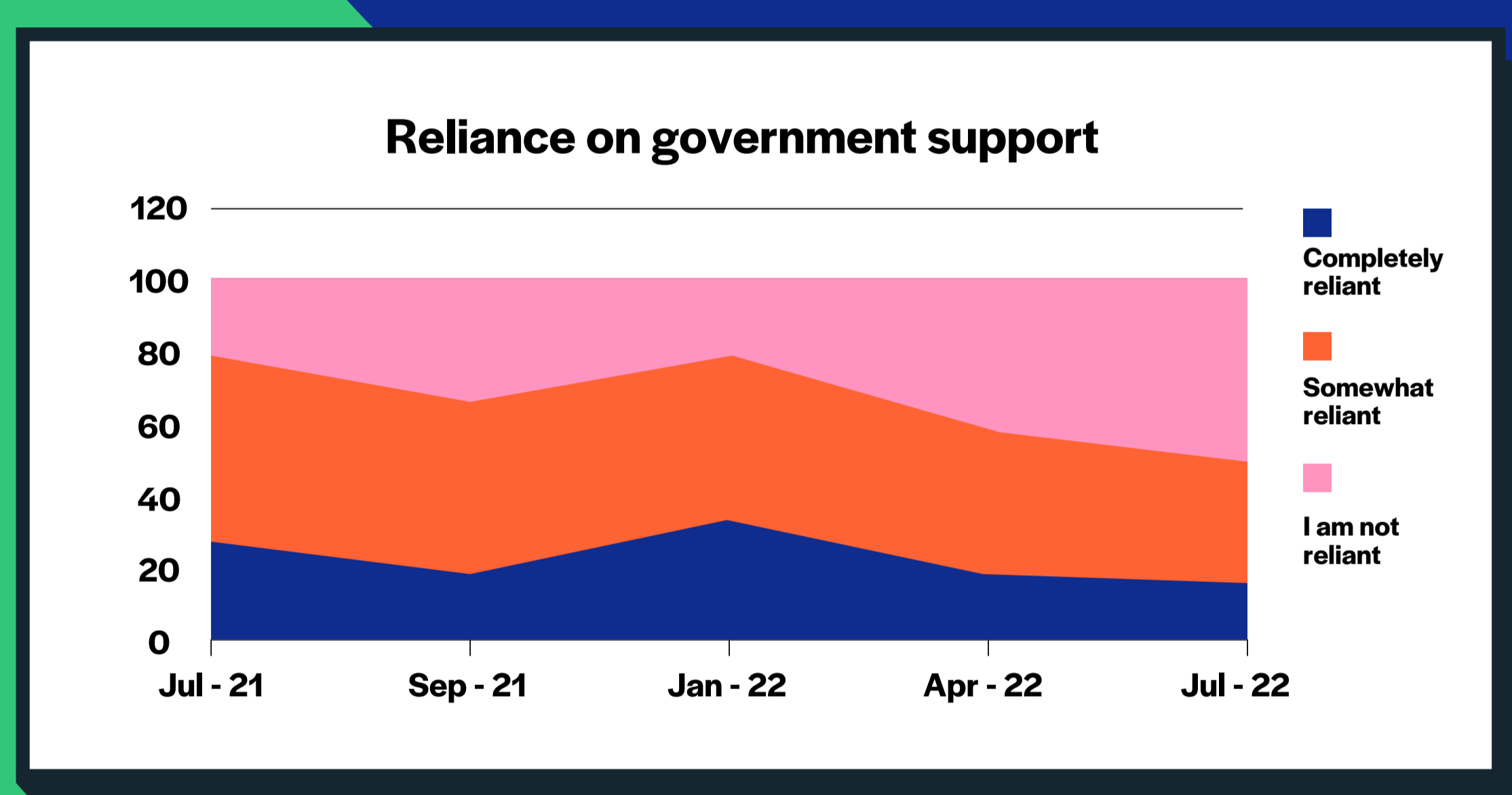
- Support to cover the rising cost of energy.
- Continuation of business rates support.
- Apprenticeship incentives for employers.
- Restraint in rises to the NMW/NLW in 2023-24.
- A crack-down on informal tax-evading sector businesses.



### DEBT IS AN ISSUE

for sector businesses:

- 42% of businesses are in **debt**, with **63%** saying it would take **more than two years to clear.**
- **68%** have had to **use personal savings** to support the business over the last year.



### BUSINESSES HAVE BEEN MOST WORRIED ABOUT:

- Whether they'll get clients back.
- Paying bills each month (peaking in January 2022)
- Keeping staff/apprentices (peaking in July 2021)
- Having no savings for another lockdown.
- Concerns over mental health of owner and staff (high in 2021)



### GROWTH INTENTIONS

are balanced with many businesses wanting to stay below the VAT threshold. In July 2022:

- **39%** said that they intend to **grow their business.**
- A consistent **45%** intended to **remain the same size.**
- **17%** want to **downsize or close the business.**
- The **main barriers to growth** are the **current challenging economic conditions** and **difficulties in recruiting experienced staff.**