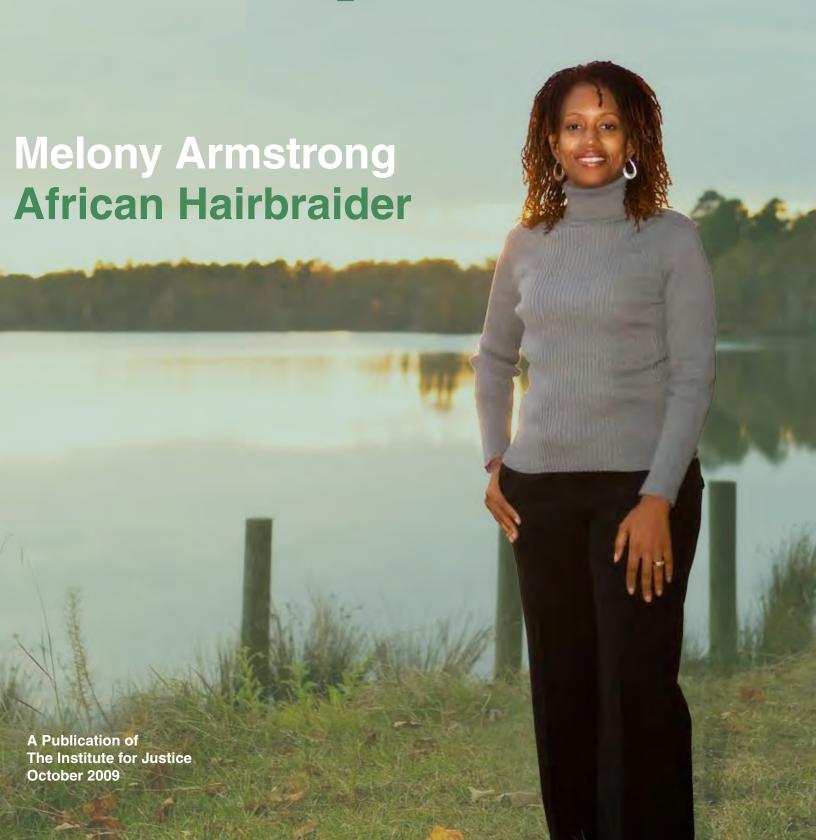
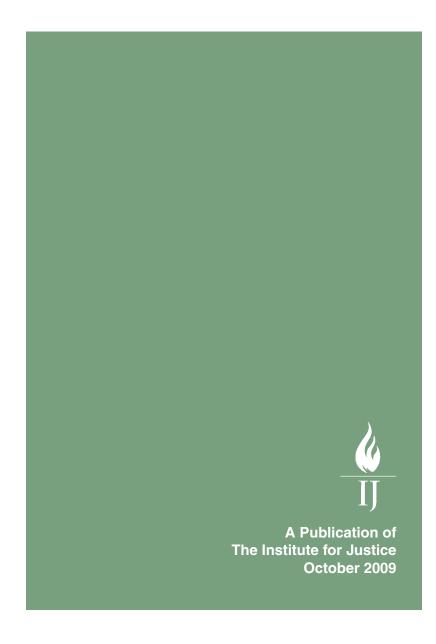
The Power of One Entreprendent



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The Power of One Entrepreneur:

Melony Armstrong, African Hairbraider



Melony Armstrong, African Hairbraider

Written by
Dick M. Carpenter II PhD
and John K. Ross



"My plan, my goal, is to improve the economy around here."

Melony challenged the political establishment to open up opportunity not only for herself, but for hundreds of other women across Mississippi who might never have otherwise had a chance to provide for themselves through honest enterprise. Today, Melony provides not only employment and innovative, culturally significant hairstyles, but also inspiration to other struggling entrepreneurs across her state and the nation. She shows how they, too, can succeed, no matter what governmental or cultural barriers stand in their way. Today, Melony is an entrepreneur, an employer and an educator.

"Just opening doors for other people is something I've done all my life," Armstrong said. "I've just begun to recognize this is part of who I am and part of my destiny, to be a trailblazer and to show other people a better way."

"My plan, my goal, is to improve the economy around here," she said.

And now, no one doubts her.

Melony Armstrong epitomizes the power of one entrepreneur. In September of 2009, Naturally Speaking will celebrate its tenth anniversary, and Melony Armstrong will celebrate a decade of entrepreneurship.

And while this report tells the story of one entrepreneur—Melony Armstrong—it is a story that can be told and retold through countless other entrepreneurs like her in little towns and big cities nationwide. Indeed, if the impact of this one entrepreneur in a relatively small Mississippi community can be as wide, broad and deep as documented in this report, imagine the impact entire communities of unhampered entrepreneurs could create in America's largest cities where hope and opportunity are in such great demand.



Research Methods

The foundational information for this report was gathered during a week-long trip to Tupelo, Miss., by Dick Carpenter, co-author of this report. Interviews in Tupelo were conducted either in Melony's salon or in other locations to suit the participants' needs and preferences, including at church and in other informal settings. Telephone interviews were conducted with those not living in Tupelo. Most interviews lasted from one to two hours, some even longer when clients were "trapped" in the salon chair for several hours. In fact, other than off-site interviews and observations, Carpenter was in the salon from the beginning of the workday to close of business all week interacting with Melony and her clients and watching and learning about the hairbraiding business and braiding techniques.





What is an Entrepreneur?

The term "entrepreneur" originated in French economics in the 17th and 18th centuries and indicated someone who shifts economic resources out of an area of lower productivity and into an area of higher yield.¹

Entrepreneurs are achievement-oriented, pragmatic and positive. They enjoy independence, take risks, learn from their experiences and can inspire others. They also tend to be energetic, determined and self-confident. They do not, however, rely on vague notions of luck; rather, they are conscientious and disciplined.²

Small-business entrepreneurs represent the backbone of the American economy. More than 73 percent of businesses employ fewer than 10 people, and more than 86 percent employ fewer than 20 people.³ In Melony's community of Tupelo, more than 65 percent of businesses employ fewer than 10 people. Melony's is one such business. And more than 82 percent of businesses in Tupelo employ fewer than 20 people.⁴

Because of both her gender and her race, Melony faced high hurdles in opening her business. Toni Bradley, the owner of a traditional hair salon in Tupelo, describes the business climate in the town as "horrible" for women entrepreneurs and "very difficult" for blacks, and data bear this out. According to census data, only 18 percent of businesses in Tupelo are owned by women (compared to 25 percent for the state of Mississippi), and only six percent are owned by African Americans (compared to 13 percent for the state).⁵

In today's economy, the opportunities created by entrepreneurs are especially important both for those who find themselves unexpectedly unemployed and must "reinvent themselves"— starting entirely new careers later in life so they might provide for themselves and their families—and for the people these new entrepreneurs will employ—those out of work who don't have the skill, vision, capital or confidence to go out on their own and so must rely on others for work.

Individuals like Melony offer a key part of the answer to the questions: "How can America recover from its current economic downturn? How can we create long-term, sustainable growth?" That power lies where it always has in America: In the power of one entrepreneur.

Melony's Path to Entrepreneurship

It was a rare appointment to get her hair braided that set Melony Armstrong on her entrepreneurial journey. Her youngest son was nearly one year old. She was brainstorming what career path to take. Her formal education was in psychology; she had worked at a battered women's shelter, a boys' home and a state hospital, but she longed to create a business of her own. "I've always had that entrepreneurial spirit flowing in me," she said. "My mind was clicking, ticking. It was just itching, gnawing at me, to do something else."

After a 1995 braiding appointment in a salon in Memphis, Tenn., for which she paid \$75 for a 50-minute appointment that produced a relatively simple style, Melony saw the opportunity braiding presented for the Tupelo area.

Her husband, Kevin, drove her to the appointment. On the ride home, he couldn't get a word in edgewise. His wife was suddenly on a mission that, unbeknownst to either of them at the time, would make headlines.

"After having my hair braided and looking in the mirror, it immediately clicked—this hair thing, these braids, is what I want to do," she said. "Even during the process, seeing this is a real live business. On the drive back—and that drive is one-and-a-half hours—it's all I talked about to my husband. I'm going to be a professional hairbraider."

Hairbraiding is a manner of hairstyle indigenous to Africans and African-Americans that goes back centuries.⁶ Although largely frowned upon as an adult hairstyle in the United States for many decades, braiding and other natural hairstyles enjoyed a gradual reemergence in the African-American community beginning in the 1960s. By the mid-1990s, professional braiders were offering their services in salons nationwide to meet a growing demand.



Overcoming Skepticism

Risk taking is a defining characteristic of entrepreneurship, but Melony's risk was arguably even greater due to the skepticism about her business within the black community—a community that would normally be an ally. Ethnic entrepreneurs usually benefit from the loyalty of buyers and sellers within their ethnicity,⁷ but that was not Melony's experience. As Melony said, "At first I think it was surprising for people to see a young black woman in business for herself, but because of the nature of what I did, it required a lot of education in what 'going natural' meant and its advantages." While hairbraiding was well-supported within the African-American community, professional hairbraiding studios were at that time rare.

"Going natural" means wearing hairstyles that do not use methods to straighten naturally curly African-American hair. There are various methods for doing so, but chemicals (called "perming") are the most common method of straightening. Although straightened hair is often considered easier to manage, the process can come with some disadvantages (perming, for example, can cause serious scalp irritation or burning). According to Melony and numerous clients, the advantages of natural styles can include the lack of skin irritation, manageability commensurate with straight hair and comparably lower costs. Moreover, natural hairstyles are not limited to braids and Afros; they can include numerous styles, such as locks, Sisterlocks, twists and variations on these.

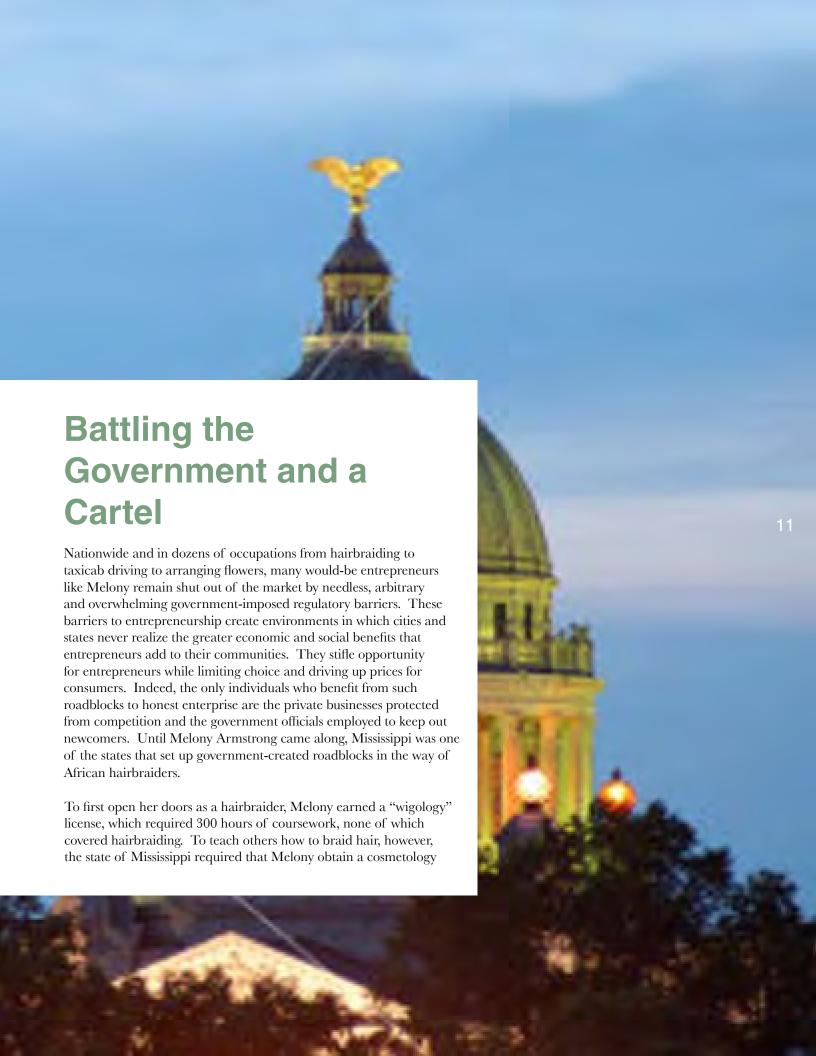
Melony's challenge was educating the community to all of this and convincing them of the advantages of going natural, which was no small task given the decades of history she had to overcome related to African-American hair. (See sidebar on page 29 for more details.) As one of Melony's clients, Diane Moore, explained, "We have been braiding our hair forever; it's part of our culture." Therefore, because Melony offers a service that is essentially a cultural mainstay, people in the black community did not initially see the value of braiding as a business. As Melony's husband, Kevin, describes, "People in the black community just did not see it as legitimate."



Barriers to EntrepreneurshipNationwide

The over-regulation of hairbraiders is one symptom of the larger disregard for economic liberty, the bulwark of the American Dream. Today, almost one out of three people in the American workforce needs a government license to practice their chosen occupation, up from about one in twenty in the 1950s. 10 These laws create barriers to entry for entrepreneurs in occupations as diverse as interior design, casket selling and floristry. A closer examination of hairbraiding regulations across the states reveals how onerous and irrational these licensing schemes can be.11

- Seven states (Colorado, Illinois, Iowa, Missouri, Oregon, South Dakota and Wyoming) demand hairbraiders obtain a cosmetology or similar license—typically requiring 1,000 to 2,100 hours of coursework.
- In 22 states, the law remains silent on the issue of hairbraiding—leaving the question of licensing up to state cosmetology boards or investigators with a vested interest in shutting down potential competition. These states are Alabama, Alaska, Arkansas, Delaware, Hawaii, Idaho, Indiana, Kentucky, Maine, Massachusetts, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Rhode Island, Utah, Vermont, West Virginia and Wisconsin.
- Eleven states (Florida, Louisiana, Minnesota, New York, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas and Virginia) and the District of Columbia have imposed some form of specialized license for hairbraiders. In Ohio, for example, only 37 braiders have become licensed since the specialty license (requiring 450 hours) went into effect in 1999.
- Only ten states (Arizona, California, Connecticut, Georgia, Kansas, Maryland, Michigan, Mississippi, North Carolina and Washington) specifically exempt braiders from cosmetology licensing regimes. Braiders are simply required to comply with regulations governing all other businesses or with basic sanitation guidelines—all without any ill effects.



license (another 1,200 hours of classes in addition to the 300 she completed for wigology), then a cosmetology instructor's license (another 2,000 hours of classes) and then apply for a school license—hours she could use more productively running her business, teaching others about braiding, volunteering in her community or nurturing her family. Again, none of the required instruction actually spent any time teaching the student how to braid hair. In the 3,200 classroom hours it would have taken for Melony to earn a license to teach hairbraiding, 12 she could instead have become licensed in all of the following professions: Emergency medical technician—basic (122 hours plus five emergency runs), 13 emergency medical technician-paramedic (1,638 hours), 14 ambulance driver (8 hours), 15 law enforcement officer (400 hours), 16 firefighter (240 hours), 17 real estate appraiser (75 hours) 18 and hunting education instructor (17 hours). 19 And that would all take more than 600 hours less than obtaining her license to teach braiding.

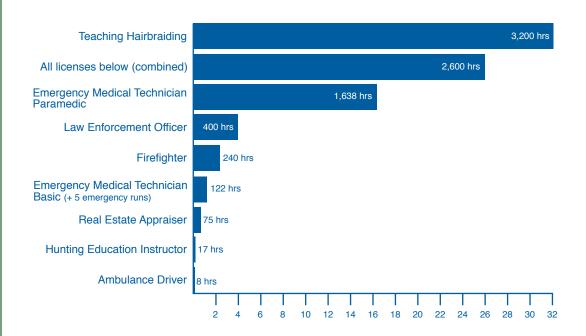
Perversely, the state awarded licenses to cosmetology instructors to teach braiding who had no experience braiding even as it forbade experienced braiders from teaching their craft (unless they sacrificed three years and thousands of dollars to learn unrelated skills to earn the license). The result was that students of braiding had no skilled and legal instructors to learn from. In effect, Mississippi outlawed both the teaching and learning of African-style braiding as a business.

Only one group benefited from Mississippi's regulatory regime: The cosmetology establishment. Practicing cosmetologists could set the bar for entry to their profession high (and thereby keep competition to a minimum) and cosmetology schools enjoyed captive customers. Not surprisingly, these were the same people who wrote and enforced the cosmetology regulations—the State Board of Cosmetology, whose five members must all be practitioners of at least 10 years.²⁰ The Board is officially advised by other practicing cosmetologists and cosmetology schools.²¹

Rather than submit to such naked economic protectionism, Melony decided to take on both the political establishment and the cosmetology regime, which had convinced lawmakers to limit entry into the trade. In August 2004, Melony joined two aspiring hairbraiders, who wanted to learn the business from Melony, and the Institute for Justice to file a lawsuit against the state to break down the regulatory walls barring potential entrepreneurs from entering the field.²² At first glance, Melony's actions seem irrational. Because she had already earned a wigology license that enabled her to practice her occupation legally, the state's regulations benefited her by reducing the number of competitors in the market. But Melony's goal was not only to build her own thriving business but also to enable others to do so by teaching them how to braid professionally.

In the ensuing months, Melony took weekly trips to the state capital of Jackson (a seven-hour round trip from Tupelo) working to convince legislators to change the law. She also organized potential braiders to contact lawmakers, responded to opposition from traditional cosmetologists and engaged in other grassroots efforts, all of which meant spending countless hours away from her family and her business. But for Melony, the short-term price was worth paying in order to create opportunities for herself and others—most of whom she will never meet.

"Rather than submit to such naked economic protectionism, Melony decided to take on both the political establishment and the cosmetology regime, which had convinced lawmakers to limit entry into the trade."



Hours of Training in Increments of 100



According to Deborah Nutall, a hairbraiding salon owner in Memphis, Tenn., Melony's fight against the licensing regime had several important implications: "She put up a fight, and that gives others courage to believe in themselves. By standing her ground, she created an opportunity for others to lead a successful life—they don't have to wait for a handout."

That final implication—not waiting for a handout—hit especially close to home for many of the women Melony trained. Chervy Lesure, a hairbraider who trained under Melony and worked in her salon, said, "The results of the lawsuit have given an opportunity to people who had the talent to braid but couldn't and were on public assistance." Jackie Spates, another hairbraider who learned from Melony and worked in her salon, agreed. She said, "Other braiders now know they can open their own business and take care of themselves."

On April 19, 2005, all of Melony's efforts paid off: Mississippi Gov. Haley Barbour signed legislation enabling hairbraiders to practice their occupation without being required to take 1,500 hours of class for a cosmetology license or 300 hours of class for a wig-specialist license.²³ These regulations stifled opportunities in an industry tailor-made for entrepreneurial activity, particularly for young, African-American women. The only requirements now are that hairbraiders must pay a \$25 fee to register with the state and abide by all relevant health and hygiene codes.

Prior to her lawsuit, Melony's business was one-of-a-kind in the Tupelo area, and she enjoyed the benefits of being the only professional braider in her area. Through her educational efforts, more people were growing aware of and choosing natural hairstyles, creating more business. She also picked up business from clients who already wore their hair naturally but had to travel some distance to find a braider. Some of Melony's current clients used to travel to Memphis (90 miles), Jackson (221 miles), Atlanta (285 miles) or Chicago (641 miles) for styling.

Melony's victory against frivolous regulation opened the braiding market for aspiring braiders—potential competitors. Nonetheless, with regulatory barriers removed, Melony also benefits along with other braiders. She has greater flexibility to hire other stylists to work in her busy salon. And as more braiders enter the business, Melony will undoubtedly enjoy the economic benefits of an even more expansive market that results from competition and increased awareness. The economic pie can and will grow, creating opportunities for others.

"There's no doubt that what Melony did has meant more jobs for the community," observed traditional salon owner Toni Bradley. "Traditional salons are now hiring braiders to work in their shops alongside traditional cosmetologists."

And her influence is felt beyond the Tupelo area. Since the restrictions were lifted, more than 300 women have registered hairbraiding businesses, ²⁴ taking once-underground businesses "legit" (moving businesses from the informal economy into the formal economy) and opening new enterprises in places where customer demand was once unmet. And because of the change in Mississippi's laws, aspiring braiders are moving there from neighboring states. Deborah Nutall plans to open a salon and braiding school in Mississippi and is even contemplating moving there because it now has fewer regulatory burdens than her home state of Tennessee.

What is the Informal Economy?

The "informal economy" refers to businesses that operate "underground" and are neither taxed nor regulated by the government. Measuring the informal economy is, by definition, difficult;²⁵ however, among those who have tried, one figure puts its size at \$42 billion in 1981.²⁶ As a percentage of GDP, others estimate its size at between 6.7 percent and 13.9 percent in the early 1990s and between 8.8 percent and 9.5 percent in the mid-1990s.²⁷ Almost 25 percent of cosmetologists function in the informal economy,²⁸ which translates into more than \$400 million for this small subset of the economy by itself.²⁹

Research concludes the informal economy is a prominent and persistent feature of rural life,³⁰ and women work in the informal economy more than men.³¹ More people enter the informal economy when jobs are scarce in the formal economy or when taxes and regulation make it more difficult or expensive for employers to offer conventional jobs.³² Occupational licensing laws push entrepreneurs out of the formal economy and drive them into the informal economy. Indeed, the data are clear: More regulation means a larger informal economy.

People also work in the informal economy as a result of social welfare systems, which create disincentives for individuals receiving welfare to seek work in the formal economy.³³ Many welfare programs limit how much income recipients may receive and still remain eligible for benefits.³⁴ Therefore, their overall income is higher if they receive welfare payments while working in the informal economy. Finally, women find the informal economy enables them to stay home and earn money while fulfilling domestic responsibilities.³⁵ This is particularly true for women of limited means who find barriers such as lack of childcare and transportation, low levels of education and few job skills limit their employment opportunities.³⁶

As the table below indicates, some of these factors describe a greater percentage of black women who live in Tupelo than white women.³⁷ Thus, it would be entirely consistent with prior research to find robust participation by African-American women in Tupelo in the informal economy.

Socio-Economic Indicators Comparing Black and White Women in Tupelo

Tupelo Socio-Economic Indicators	Black	White
Female single parent households	28%	6%
Females with less than a high school diploma	36%	14%
Civilian females in labor force unemployed	13%	2%
Single mothers below poverty	20%	2%
Mothers in civilian labor force unemployed	14%	0%
Females below poverty	16%	3%

40%

43%

Counties with greater than average percentage of unemployed African-

Counties with greater than average percentage of African-American single

American females

mothers living below poverty

Achievements of the Entrepreneur Set Free

Freed from needless government-created barriers, Melony has now gone on to teach more than 125 individuals how to braid hair. No longer blocked from putting industrious individuals to work, she has employed 25 women, enabling them to provide for themselves and their families. For many of these women, the money they earn from braiding represents the first steady paycheck they have earned in their lives. A dozen of these women have gone onto start their own salons all thanks to the power of one entrepreneur: Melony Armstrong. Learning braiding skills, business skills and social skills from Melony has proven a transformative experience for many.

For the past three years, Ebony Starks has braided hair in Melony's salon five times a week and earns about \$200 weekly. She uses the money she earns from hairbraiding to pay for school and help her mother with the household bills. Ebony said that if she wasn't able to braid, she would have no income.

Stephanie Armstead met Melony through church. After taking Melony's class, she started working for Melony in May 2009, traveling one-and-a-half hours one way three days a week from her home in South Haven, Miss. Stephanie earns \$150 each week, which she uses to pay her household bills. She said that working with Melony has made a great difference in her career not just by improving her hairbraiding skills, but also learning from Melony's professionalism and spirit.

Santana Lockridge, who lives and works in Tupelo, was actually scouted by Melony to work in her shop. Melony saw Santana's hairbraiding work and was so impressed, she hired her. Santana earns \$200 braiding three times a week and is saving her income to buy a vehicle to make it easier to get around as she is now pregnant.

Santana Roberson first met Melony as a customer. She then took Melony's hairbraiding class and has worked for Melony since 2002 earning \$100 a week. Working as a hairbraider for Melony provides her with a flexible schedule so she can stay at home and take care of her children. Santana said braiding is her only opportunity to make money and what she earns pays her household bills and helps feed her family. Working for Melony has enabled her to meet other entrepreneurs and create a network of businesses and clientele. Melony has helped her advertise her services and create a professional reputation through her recommendations. Like many other women across the state, Santana recognizes that Melony's fight against the cosmetology cartel removed the law requiring hairbraiders to go to cosmetology school for two years and has enabled her to earn a living and provide for her family.

Jacqueline Spates met Melony as a customer, took her hairbraiding class, worked for Melony for six months and then went onto open her own salon in Pontotoc County. She braids



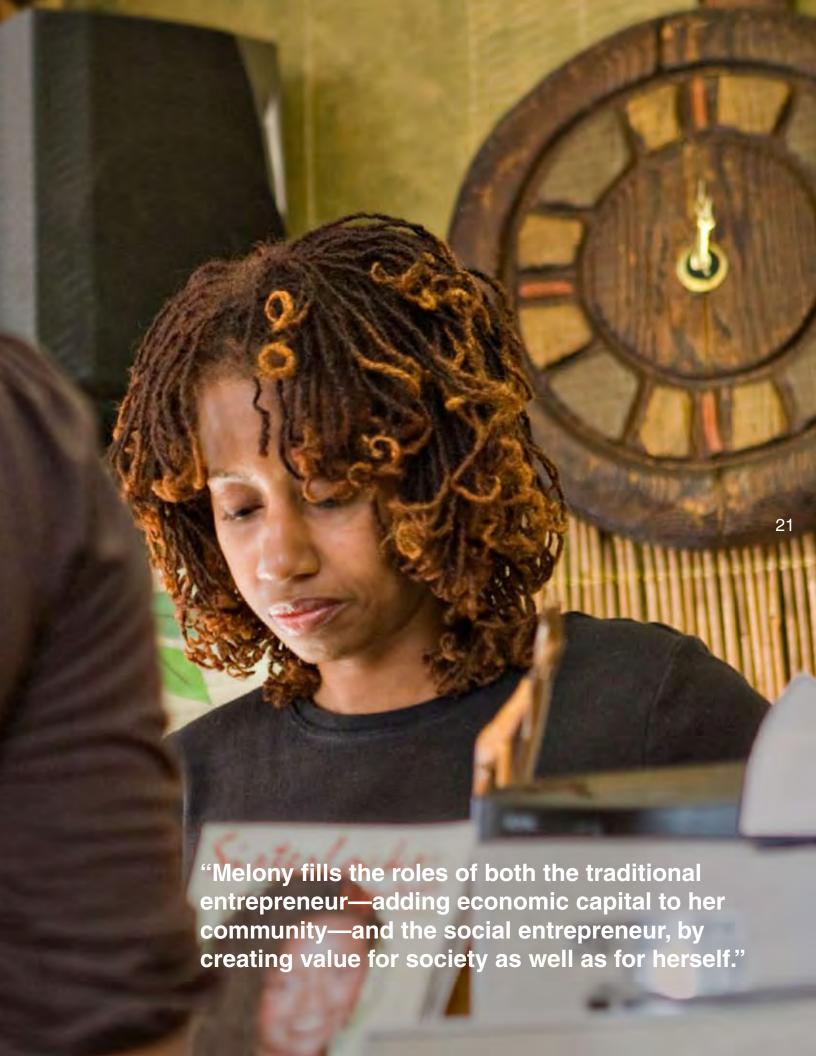
Once, the government sought to keep Melony and women like her from pursuing this trade. But with the government out of the way, Melony's Naturally Speaking salon has thrived and continues to provide many with the opportunity to earn an honest living in an occupation perfectly suited to the women who pursue it. It has given them a starting point—a door to enter the economic mainstream. Hundreds of women across the state of Mississippi and beyond find themselves gainfully employed by the expertise of their own hands thanks to the power of this one entrepreneur. This kind of impact could be replicated in occupation after occupation if governments protected the economic liberty of entrepreneurs rather than the power of government-imposed cartels.

The Social Entrepreneur

Traditionally, entrepreneurship is viewed as a profit-making enterprise—new businesses that involve financial risk, create new markets or develop better ways of utilizing scarce resources.³⁸ But today, entrepreneurship goes beyond traditional business settings and includes "social entrepreneurs" and "civic entrepreneurs" driven by the desire to benefit society in some way; they seek to contribute to the well-being of a given community.³⁹ Through their business and social networks, entrepreneurs create invaluable trust, norms, resources and networks⁴⁰ (or "social capital") in a community.⁴¹ They inspire greater individual and corporate productivity, increased social cohesion and stronger democratic institutions.⁴²

Social entrepreneurs are especially common among ethnic entrepreneurs, ⁴³ as is the case with Melony Armstrong. She fills the roles of both the traditional entrepreneur—adding economic capital to her community—and the social entrepreneur, by creating value for society as well as for herself. ⁴⁴ Her work develops better, stronger and more-independent members of her community.

Beyond creating new opportunities and expanding markets to the benefit of both consumers and aspiring entrepreneurs, Melony provides an important example of entrepreneurial success and actively teaches others how to pursue their own entrepreneurial activities. Melony uses her business, her skills and her knowledge to transform the lives of others around her, an effort with significant individual and social benefits reaching the lives of many people she will likely never even meet.



Role Modeling

Melony models entrepreneurial excellence and the success that results from it. This is particularly important in promoting entrepreneurship in historically disadvantaged communities where a lack of business knowledge and skills create barriers to business ownership.⁴⁵

Melony's modeling begins with imbuing a sense of professionalism in a cultural practice not known for professional standards. As Melony remembers, "In the early years [around 1996], most people just did not trust the idea of a professional hair braider." Traditionally, braiding was something done by a friend or relative in someone's kitchen or on the porch. But Melony not only showed that it was possible to braid professionally, she also demonstrated what professionalism looked like.

At a minimum, it means "not going to someone's house with babies running all over your feet," as Roberta Matthews describes. But for many of Melony's clients it means something more. Agnes Spears, an African-American client who lives in a town 20 miles away from Tupelo, said Melony is a professional because she "knows what she is doing. I feel confident that she is doing it right."

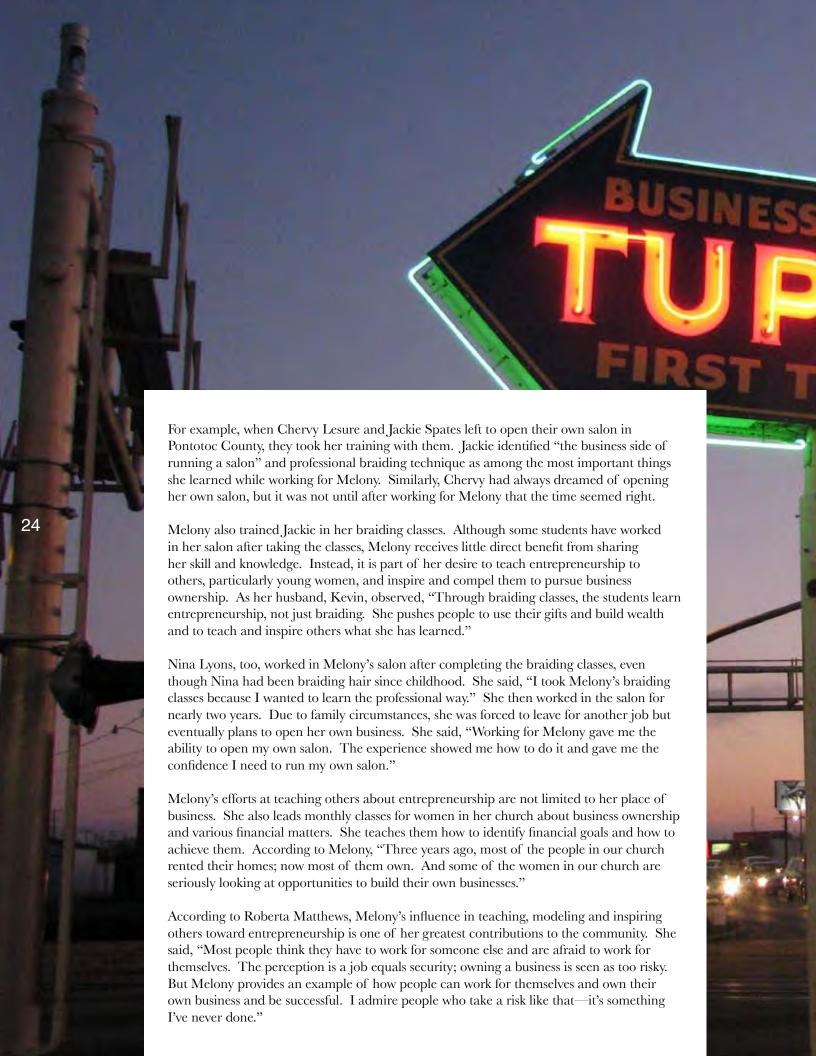
When asked what attracts clients to her, professionalism is Melony's first response. She said, "Clients often try to do something on their own and it doesn't work. So they come looking for professional service to undo what they have done and then complete the style they want in the right way."

Clients and employees alike see Melony's professional standards in her business practices. She requires customers to make deposits on expensive hairstyles. Forty-eight-hour cancellation notice is required. There are no cash refunds. All clients receive specific appointments. And she asks customers to complete a customer information form.

In the early years of her business, Melony did not have such practices in place. But after observing their implementation in a Florida braiding salon, Melony applied them to her own business. She said, "The result was immediate. It raised the level of professionalism in the eyes of customers. Black salons are not typically operated professionally. Most of them are mom and pop businesses. With my new system, people began to notice. Like—whoa—having to fill out a customer profile form!" Other salon owners noticed too; they began visiting Melony's store just to acquire the forms because of the sense of professionalism the forms created.

Whereas before, cosmetologists hid behind government licensing to establish their professionalism and credibility, Melony sought to earn that respect through her individual merit. One professional practice that receives particular comment is specific appointments. Roberta Matthews identified it as one of the most important indicators of Melony's professionalism and one of the reasons she remains a client. She said, "Mel creates a specific time to do my hair, which means no waiting. This is really important to me since I work and I am on a schedule." Numerous clients commented on the









As an uncommon example of female and African-American entrepreneurial success in Tupelo, Melony shows others that the economic barriers embedded in her community can be overcome. Those in Melony's network identify this as one of her greatest influences, particularly in the African-American community. Roberta Matthews, a 63-year-old African-American client of Melony's remembered, "When I was young, we didn't see many examples of people who made a lot of their talents. But Melony provides an example of using your talents to make something."

Gary Bradley, an African-American native of the area who manages a local fast food restaurant, remembers a time when blacks interested in entrepreneurship were not encouraged to pursue their interests. He said, "As a high school student I wanted to pursue business as a career, but I was told by a counselor to work in a factory. I had no one to guide me in how to achieve my goals. So I went into the military where I learned lessons and information that helped me get into management. When I returned to Tupelo, not much had changed."⁴⁷

The effect of Melony's role in facilitating and modeling entrepreneurship in Tupelo cannot be underestimated. According to scholars, entrepreneurship is an important upward mobility mechanism for racial and ethnic minorities, particularly women in those communities. Ethnic and female entrepreneurs hold untapped job-creating potential and open-ended capacities for creating economic growth and economic diversity. A sociologist explained the multiplier effect minority businesses can have on minority employment: "[E]ven a relatively small number of entrepreneurs can offer employment opportunities to a substantial portion of their coethnics. For example, in a group with only average levels of entrepreneurship (six percent) [that is, the percentage of those working who make a living as a business owner], if each business owner employs just one coethnic, then 12 percent of the group's work force is involved in the... economy."⁴⁹

So in modeling not only entrepreneurship, but entrepreneurial *success*, Melony's influence over future entrepreneurs carries a potential compounding effect, as those who observe and learn from her likewise inspire and train others in their own establishments, whether they be in hair salons or other types of businesses.





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Using Entrepreneurship to Help Others

As dedicated as she is to creating opportunities for and teaching entrepreneurship to others, Melony's greater passion is using her product to improve the lives of individuals and the greater community, similar to the work of social entrepreneurs. Although Melony's service happens to be related to hair, entrepreneurs with other types of products or services have the ability to realize similar effects with their own entrepreneurial activities. Melony provides a concrete example of how to do so.

Part of Melony's effort is helping to change how people—both blacks and non-blacks—view African-American hair, an endeavor whose effect is ultimately designed to reverse decades of self-shame among African Americans and instill a greater sense of identity within the black community. The other part includes mentoring teen girls through her business and potentially through a future non-profit to give at-risk teen girls the skills and confidence necessary to pursue their own entrepreneurial activities.

Transforming Identities

For many years, natural black hair—that is, hair that is not straightened in some way—carried significant negative connotations. Beginning in the Civil War era, African-American hair, like other physical attributes (skin color and facial structure), were seen as a mark of inferiority.⁵⁰ Whites frequently referred to black hair as "wool" to differentiate it from the "superior" white variety.⁵¹ For many African Americans, this created an attitude of shame about their hair.

Roberta Matthews remembers, "In my day there was a lot of social pressure to straighten your hair. You didn't go out with nappy hair. People would say, 'Oh girl, your hair is nappy—do something about it.' We were ashamed of our hair. Do you know a white woman once told me



A Short History of Black Hair

In African cultures, the grooming and styling of hair had long been important social rituals.⁵² Elaborate hair designs, reflecting tribal affiliation, status, sex, age, occupation and the like were common, and the cutting, shaving, wrapping and braiding of hair were centuries-old arts. During slave days, the way slaves styled their hair was important to them as individuals, and it also played a substantial role in communal life. But as hair became a symbol of shame, many blacks assumed the habit of hair straightening.⁵³ Some scholars attribute hair straightening not only to shame and self-hatred,⁵⁴ but also to an attempt to conform to the cultural norms of whites.⁵⁵

With social changes that accompanied the Civil Rights Movement, African-American hairstyles began to change. As scholars note, hair can be used to accommodate to or to resist cultural expectations regarding place in the social structure, 56 thereby symbolizing individual and group identity. 57 Consistent with this, African Americans began to adopt or readopt the old styles of cornrows and braids, decorated with chevrons, beads and mirrors. 58 Likewise, Afros and dreadlocks challenged the white aesthetic that had long made curly and kinky hair a symbol of inferiority. 59 For many African Americans, the rise in natural hairstyles represents a reclaiming of pride in their own unique hair.

It is an expectation that extends into entry-level jobs. In the restaurant Gary Bradley manages, braids have to come out: "It's seen as not professional. Braiding is associated with gangs and thugs. As a result, parents tell their children not to wear braids when trying to get a job." Yet, Gary sees changes occurring, albeit slowly, and credits Melony for playing a part in that. "Things are changing, mostly for women right now, and Melony was a change agent in that. She helped people to look at it differently." Melony agreed, "When I started wearing my hair this way, I saw almost no one else. I felt like an oddball. Now I see more people wearing their hair naturally, and I think I contributed to that."

That contribution was no accident. Hair can be used to help spread a new idea, help members of an incipient social movement identify each other and spark social change. Help Melony sought to use her business to change the historical social norms around black hair, and that change is occurring. Roberta Matthews now wears her hair in Sisterlocks, a hair innovation advanced by San Diego hairbraiding entrepreneur JoAnn Cornwell. A decade ago, this style would have been frowned upon in professional settings. But when Roberta started her job as an occupational therapist in 2006, her locks were a non-issue. Nina Lyons concured, "I see a lot more people going natural, and I have especially seen more in the past year. Melony is definitely part of that change." That change carries with it important consequences. Researchers assert that because hair is such a fundamental element of identity, there are strong relationships between facial features (including hair), self-esteem and black consciousness. In the African-American community, it is often said that a woman's hair is her crowning glory.

And often the help Melony provides transcends hair. Chervy Lesure frequently saw "some level of informal counseling going on as clients talk about their personal problems." Nina Lyons agreed, saying, "Melony's salon is like a sanctuary where people find comfort.... It's not everybody that I would open up to, but Melony's character is such that she's a woman I can talk to about my situations. I frequently saw this happen with other clients. If I ever run a salon, I want the atmosphere to be just like this."

As with teaching and modeling entrepreneurship, this is intentional on Melony's part. As she said, "I don't look at myself merely as a hair stylist. It's more about the personal interaction, and we happen to be doing hair. In fact, a lot of people come back for the 'therapy.' Some clients, when I finish their hair, you can tell they don't want to leave."

Others have noticed this passion in Melony. Deborah Tierce works as a leadership consultant in the Tupelo area and came to know Melony through their mutual involvement in a local non-profit. Although Deborah has never been a client of Melony's, she recognizes through her interactions with Melony and through comments others have made that "[Melony's] on a mission in life—braiding is a means—she wants to influence positively everyone she meets."

Transforming the Lives of Young People

That "everyone" now includes teenage girls whom Melony brings into the salon, particularly during the summers, and trains as professional braiders. The idea is to redeem the teens' unstructured time with a productive experience that will instill responsibility and work ethic while creating a family-type ethos where the girls learn about and experience entrepreneurship. As Melony described, "Teens will likely see working in the salon as an opportunity to earn some money, but it will give me an opportunity to mentor them."

Through her network, Melony identified a 16-year-old girl as a possible candidate to work in the salon for the summer. After a series of interviews, Melony hired Melissa⁶⁹ to work full time alongside Melony serving clients, learning new braiding techniques and experiencing the ins and outs of the business world.

"The experience lived up to all my expectations," Melony said. "I would definitely do it again. Melissa had the opportunity to learn and grow. She was a great worker and a really fast learner." Clients also noticed, frequently making comments to Melony such as, "She's really good," and "You should keep her," which was Melony's plan. Melissa returned to school that fall, but Melony brought her into the salon on weekends and holidays and asked her to work in the salon again the following summer. The incentive for Melissa was obviously the opportunity to make \$15 per hour or more, but along the way she gained invaluable experience and guidance.

Mentoring young women in her salon is only the prelude to a project of even greater scope that Melony has been exploring. In 2006, she ran an ad for braiders on a local hip-hop radio station. "Originally I expected responses from young adults, but unexpectedly I received this huge response from high school dropouts," she said. In classic entrepreneurial fashion, she saw an unmet opportunity.

Her idea is to open a non-profit residential school in which young women learn to run a business and braid professionally. The target population would be at-risk 15 to 20 year olds. As Melony described, "Too many young black women drop out of school, end up pregnant and live in poverty, all the while not realizing they could turn a skill they have known since their childhood—braiding—into an occupation."

She would model it on the current experience of African braiders who come to the United States, live together and work in the same salon. Only in Melony's school, the teens would live in housing provided by the school, spend two years learning about entrepreneurship and braiding, finish their GED and then leave to start their own business or work in a salon professionally.

On the continuum of economic to social entrepreneur, such an endeavor clearly leans to the social side, but Melony's pursuits have always included such elements. As those who study the synthesis of social and economic entrepreneurship discuss, ⁷⁰ Melony's economic activities were always somewhat secondary to what she sensed as her real calling: "Braiding is a means to an end—to a higher purpose. I think people who enter this salon are looking for something—looking for their true identities, who they are, why they are here, where they are going."

Conclusion

Over the past several decades, policymakers have come to recognize the value entrepreneurs add to their communities, 71 and researchers also demonstrate how entrepreneurs like Melony affect communities economically by creating new jobs, markets, innovations and tax revenue. 72 As this study suggests, the value entrepreneurs add to their communities includes the traditional economic view as well as social value. These contributions are visible in the products, services and financial capital they deliver, but also in the social value, or social capital created by entrepreneurs, which contributes to greater economic vitality. Given Melony's experience and other diverse research on entrepreneurship, 73 the circular relationship between entrepreneurs, social capital and economic value becomes clear.

For example, Melony's economic efforts build social capital in her network of friends, colleagues and employees. The trust, norms, resources and networks (all components of social capital)⁷⁴ Melony creates inspire and enable others to seek their own entrepreneurial activities that will contribute greater economic value. As Melony's entrepreneurial progeny build their own businesses, they, too, will create social capital through their own networks while expanding their economic capital, replicating the process observed with Melony. The statements made by braiders who worked for Melony illustrate the potential.

Inspiring and enabling others to pursue entrepreneurial activities is particularly powerful in communities with comparably greater percentages of individuals living at or below poverty, dependent on social welfare or on unemployment rolls.⁷⁵

So, too, are non-economic social effects. Take, for example, prominent entrepreneurs such as Henry Ford, Bill Gates and Ray Kroc. Their economic effects are obviously beyond question, but their work also in some way, or ways, fundamentally changed the social fabric, that is, how we live our lives. Microentrepreneurs can also create such change, just on a different scale. In Melony's case, one example is how both blacks and non-blacks view and treat themselves and others based on appearance. Changes like this penetrate down to essential issues like social consciousness and self-identity.⁷⁶

Realizing the benefits of entrepreneurship depends on the ability of entrepreneurs to pursue their visions unencumbered by needless regulatory barriers that constrict or restrict their work, which for hairbraiding, describes only 10 states. These regulations are typically justified as a way to protect public health, safety and welfare, but in reality they are pursued by those already working within an occupation who seek to use government power to shut out new entrants into the industry, thereby creating an unfair and unearned economic advantage for current practitioners.⁷⁷ This can be an insurmountable burden in occupations well suited for low-income, entry-level entrepreneurs who typically lack financial capital or high levels of education required for other professions.⁷⁸

Occupational licenses are not the only forms of regulation hindering greater entrepreneurship. As other Institute for Justice reports demonstrate, the red tape entrepreneurs must hack through just to start a business, let alone sustain one, is overwhelming to even the savviest individuals, never mind those with little experience and few resources. ⁷⁹ Given the enormous role small business owners play in the U.S. economy and the perpetual quest to stimulate economic growth at local, state and national levels, reducing regulatory burdens and restrictions to free up the power of entrepreneurship would be a low-cost, high-return investment.



Endnotes

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- In a discussion with Melony and several clients, we calculated the costs associated with various hairstyles. "Traditional" styles (i.e., those requiring a perm) cost at least \$4,200 annually. Perms run anywhere from \$35 to \$45 a piece (\$75 in larger cities) and require reapplication every 4-6 weeks (longer hair incurs greater costs). Weekly maintenance costs \$35. For those interested in hair enhancements, which are done bi-weekly, add another \$50 or more. Adding color runs \$50, and requires new application every 4-6 weeks. Then there is the cut, which costs approximately \$15 every three months. For braiding, we estimated using the most expensive form—Sisterlocks, a permanent style. The initial cost of putting the hair into the locks is \$400 (amortized over 20 years that is \$20 per year). After that, maintenance is required every six weeks at \$75 per session. This makes the annual (amortized) costs approximately \$700. Comb twists cost around \$1,600 per year. This style is done every two weeks or so and costs around \$60 per session. Finally, hair fusion costs approximately \$3,050 annually. The style lasts four months and costs \$600 per session; washing the hair every two weeks costs \$25 at a time.
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- 13 CMSR 15-331-07 and Mississippi Department of Health Emergency Medical Services Trauma Care System website at http://ems.ms.gov/ems_emt-b_schools.html.

- 14 See Mississippi Department of Health Emergency Medical Services Trauma Care System website at http://ems.ms.gov/ems_emt-p_schools. html.
- 15 See Mississippi Department of Health website at http://www.msdh.state.ms.us/msdhsite/_static/47,6495,307,368.html; Telephone conversation with Portia Lomax Office of Emergency Planning and Response, August 21, 2008.
- 16 CMSR 16-010-002.
- 17 Estimating 40 hours per week, basic firefighter training would take 240 hours. See Mississippi State Fire Academy website at http://www.mid.state.ms.us/fireacad/fa_faqs.htm.
- 18 Miss. Code Ann. § 73-34-17 (2004).
- 19 The initial hunter education class takes 10 hours: http://www.mdwfp.com/hunting_edu.asp. According to Major Kenny Neely of the Department of Wildlife, Fisheries and Parks, a seven hour course is required to train instructors teach the basic hunter education course; telephone conversation, December 2, 2008.
- 20 Miss. Code Ann. § 73-7-7; Miss. Code Ann. § 73-7-1.
- 21 Miss. Code Ann. § 73-7-7. The Board receives recommendations for regulation from the Cosmetology Council, which is composed of the five members of the Board, five members of the Mississippi Hairdressers and Cosmetologist Association, five members of Mississippi Cosmetology School Association, five member of the Mississippi Independent Beauticians Association and five members of the School Owners and Teachers Association.
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- 47 Given the historical experience of African Americans in Tupelo, this is not surprising. In the early decades of the 20th century, little provision was made for black education, illiteracy was high and by 1927, the percentage of blacks in skilled occupations—less than 10 percent—had not changed since 1870. There were only a few entrepreneurship opportunities for blacks where white businesses would not provide services, mostly barbershops and beauty shops. In addition, one of the largest and most successful blackowned businesses, a funeral home, was located in Tupelo. The traveling salesman who bought it in 1916 teamed up with a minister to start the Colored Benevolent Society to help care for the poor and arrange burial services for the dead. The group
- eventually grew to more than one hundred chapters, or camps as they were called, clustered in northern Mississippi. There were also some educational and cultural highlights as the century progressed. In 1923, the town hired A.M. Strange to serve as principal to the black school and as an agricultural adviser to black farmers. For tuition, he required students to bring a brick to class each day and in this way constructed six buildings. He procured pianos, and soon the town's black churches and civic groups added trained pianists to their gatherings. Tupelo's first symphony orchestra was a result of the school. The men formed a chapter of the Elks Club, which became the focal point for self-improvement. Yet, overall conditions did not improve much. For example, one police officer, who stayed on the force until the 1950s, regularly drove through one of the town's three black neighborhoods calling individuals over to his car and instructing them to breathe in his face. Upon smelling alcohol-Mississippi was a dry state-the officer would roughly haul the victim off to jail. If no alcohol was detected, the breath was determined to be an insult, and resulted in a beating. As late as the 1930s, convicts—mostly blacks—were put to work maintaining roads to pay off up to \$100 fines at 20 cents per day. All Tupelo residents were to pay a street tax to pay for the roads. Until the 1940s, however, black men would be stopped during the day; if they could not produce a receipt for having paid the tax they would be arrested and fined four dollars—and forced to work off the fine at 20 cents a day working on the roads. This had the practical effect of keeping black men off the street during the daylight hours unless they were working. It was not until the 1960s and 1970s that conditions for African Americans began to change substantively, with school desegregation in 1965 and increased black employment among Tupelo's increasing number of factories (Grisham, V. L. (1975). Tupelo, Mississippi, from settlement to industrial community, 1860 to 1970. Unpublished doctoral dissertation, University of North Carolina, Chapel Hill, NC).
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- 68 The atmosphere of which Nina speaks not only reflects Melony's composed and relaxed demeanor, it is also created intentionally by her to be peaceful and inviting. At first glance, it resembles a typical salon. It occupies space in a small strip mall along a busy Tupelo street. The part of the salon that customers see is about 20 feet square. It contains four salon chairs partitioned off into roughly six-foot square cubicles separated by half walls and lattice to the ceiling offering semi-privacy for braiders and customers. The cubicles are along the east and west walls with the open ends facing into an open space in the center of the salon. Along the back of each cubicle, on the wall, is a workspace for braiders, on which they place the tools of their trade, including combs, rods, water, spray bottles, hair extensions and hand mirrors. Along the north wall sits a chair for customers, a small table and a chair/hair dryer. The color scheme is green and yellow. The door into the salon is on the south wall, which is made of all glass, and opens into a small waiting area with a glass display case/counter full of natural skin and hair care products and even a children's book entitled "Nappy Hair." Yet, despite the distinct areas of the space created by the half walls, lattice and counter, there is still an openness throughout the space that enables all those in the room to participate in conversation, which occurred frequently while we were there, as clients, friends and family stopped in to visit. What makes conversation further inviting is the lack of extraneous noise common to other salons. Although there is a TV in Melony's salon, it is never turned on. Music plays softly in the background, but it is mostly instrumental and unobtrusive. The environment is, indeed, peaceful, and even when the room is full of people talking and laughing, it is never loud.
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About the Authors



Dick Carpenter serves as the director of strategic research for the Institute for Justice. He works with IJ staff and attorneys to define, implement and manage social science research related to the Institute's mission. As an experienced researcher, Dick has presented and published on a variety of topics ranging from educational policy to the dynamics of presidential elections. His work has appeared in academic journals, such as Regulation and Governance, Independent Review, Journal of Advanced Academics, Journal of Special Education, The Forum, Education and Urban Society, Journal of School Choice, and Leadership and magazines, such as Regulation, Phi Delta Kappan and the American School Board Journal. Moreover, the results of his research are used by state education officials in accountability reporting, have been influential in crafting policy in state legislatures, and cited in briefs to various state and federal courts, including the United States Supreme Court. Dr. Carpenter has served as an expert witness in several federal lawsuits and has been quoted in newspapers such as the Wall Street Journal, Denver Post, Atlanta Journal-Constitution, Chronicle of Higher Education, Education Week, and the Rocky Mountain News, among others. His research for II has resulted in reports such as Disclosure costs: Unintended consequences of campaign finance reform, Private choice in public programs: How private institutions secure social services for Arizonans, Private choice in public programs: How private institutions secure social services for Georgians, Designing cartels: How industry insiders cut out competition, Victimizing the Vulnerable: The Demographics of Eminent Domain Abuse, Expanding choice and opportunity: Tax credits and educational access in Montana, Designed to mislead, Expanding choice and opportunity: Tax credits and educational access in Indiana, Choice and opportunity: The past and future of choice-based aid in Louisiana, and Doomsday? No way: Economic trends and post-Kelo eminent domain reform. Before working with IJ, Dick worked as a high school teacher, elementary school principal, public policy analyst and professor at the University of Colorado, Colorado Springs. He holds a Ph.D. from the University of Colorado.



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The Institute for Justice is a non-profit, public interest law firm that litigates to secure economic liberty, school choice, private property rights, freedom of speech and other vital individual liberties and to restore constitutional limits on the power of government. Founded in 1991, IJ is the nation's only libertarian public interest law firm, pursuing cutting-edge litigation in the courts of law and in the court of public opinion on behalf of individuals whose most basic rights are denied by the government. The Institute's strategic research program produces high-quality research to inform public policy debates on issues central to IJ's mission.



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