

Christian Chester Frialino Frial

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Professor Nguyễn-võ, Thu-huong

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The Expansion of Nail Salon Business in the United States

The growing nail salon business in the United States started during the migration of Vietnamese immigrants to the U.S after the end of Vietnam War in 1975. There were successive waves of immigrant refugees that came to the U.S during the 70's and 80's, whom they were later called "boat people." Most of them settled in California, particularly in Orange County. These recent immigrants have managed to establish a strong and united community and a dramatic transformation in a short period of time. As recent immigrants to the U.S, they struggled to find employment because of their limited English language skills, lack of networking and discrimination in the general labor workforce and they are currently not getting sufficient support from the U.S government. Because of these challenges, obstacles and struggles, many Vietnamese immigrants depend on enclave economy. They band together in one community such as in Little Saigon, which is located in Orange County, to form an enclave economy. Even though most of them were former professionals in Vietnam, they ended up working menial jobs in the U.S; few of them depended on social welfare from the U.S government, and some

of them had to integrate themselves into new careers in the U.S. Other Vietnamese immigrants used their social connections within the community to utilize their human and capital advancement in the U.S. The growing economic business of nail salon business has been credited to the initiative of Vietnamese Immigrants in creating their own niche to support themselves and to serve the community. Despite the obstacles that they incurred such as English language proficiency, limited experience, lack of education in the U.S, and lack of network in the general labor market, Vietnamese Americans who works in the manicure business have become an asset to the U.S economy through/by the expansion of their manicure businesses.

In accordance with Alicia Campi, in the article entitled “From Refugees to Americans: Thirty Years of Vietnamese Immigration to the United States”, she states that “The Vietnamese who came to the United States, especially in the second wave of migration, often had rudimentary education and skills, which made integration into their new homeland all the more challenging. With little English-language or technical training, Vietnamese exhibited great entrepreneurial spirit by finding niche occupations which could allow them to immediately earn money to support their families” (Campi, 7). Even though most of them do not speak proper English and no labor experience in the U.S, they took an initiative to create a small business and work within the enclave community to survive; Little Saigon in Orange County, California is one of the examples of an enclave economy. As newly arrived immigrants, they mostly rely on their families and communities for support and employment. According to the U.S Census Bureau (2007), there are 135,548 Vietnamese Americans living in Orange County alone, of which 35,406 live in Garden Grove city, where the Little Saigon is located. In the U.S, there were

21,372 Vietnamese-owned employer firms with less than five employees (71.8 percent of the total number of Vietnamese-owned employer firms) that generated \$6.0 billion in receipts (28.5 percent of all Vietnamese-owned employer firm receipts). In comparison, 304 Vietnamese-owned employer firms had 50 or more employees (1.0 percent) and generated \$5.1 billion in receipts (24.3 percent)” (census.gov). Moreover, according to the U.S Bureau of Labor and Statistics (2011), states that, “About one-fifth of Vietnamese workers were employed in personal care and service occupations, likely due to the relatively high employment of Vietnamese in nail salons. In fact, more than half of the Vietnamese employed in this category were classified as miscellaneous personal appearance workers, an occupational category that includes manicurists and pedicurists” (bls.gov). The growing population of Vietnamese immigrants in California and Vietnamese Americans family owned business and workers in the U.S has grown and expanded throughout the years especially in the manicure business and profoundly influenced their local communities. Moreover, according to Alicia Campi, in the article entitled “From Refugees to Americans: Thirty Years of Vietnamese Immigration to the United States”, she states that, “the Vietnamese have the lowest rate of receiving public assistance (10 percent) among Southeast Asian groups” (Campi, 3). This is evidence that with limited resources and opportunities, Vietnamese immigrants still managed to find their way to survive in the U.S and continued to contribute to the U.S economy without getting a lot of welfare benefits from the government; thus, they are capable of assimilating themselves into the American workforce.

Furthermore, in accordance with Linda Trinh Vo, in the article “American Community: Economic and Political Transformation in Little Saigon, Orange County,”

“Having a less educated and lower-skilled class with limited English-speaking skills that depends on the ethnic economy for employment and services plays an instrumental role in creating and sustaining Little Saigon. This range of socioeconomic classes has been crucial in stimulating the continuing growth of the community” (Vo, 8). Starting from the enclave economy in Little Saigon, the nail salon business has become the industrial niche of Vietnamese immigrants and has expanded throughout the U.S soil for years.

The nail salon business is very popular amongst recent Vietnamese immigrants because of the low start-up cost, the minimal English language skills required, and the more accessible and easier process of enrolling in California cosmetology schools. According to the article entitled “Vietnamese Owned Manicure Business in Los Angeles by Craig Huynh, the author states that “Among the many appealing reasons to enter the nail salon business are the following: (1) low capital (about \$6,000); (2), easy state licensing process; (3) no requirement for English proficiency; and (4) a very lucrative market” (Huynh, 62). The nail salon industry holds numerous attractions for new Vietnamese immigrant workers because of the short required training, readily available jobs, inexpensive, and the industry’s flexible work schedules appeal to immigrant mothers with family obligations.

The other advantage of working in the nail salon is the ethnic enclave workplace where the community is working together and helping each other to survive in the United States as an ethnic minority. In addition, according to Tarry Hum, in the article “The promised and Dilemmas of Immigrant Ethnic Communities, “The central importance of ethnic economies points to how ethnic resources have helped immigrants create economic opportunities in an environment in which racial barriers remain pervasive”

(Hum, 77). Since labor discrimination against ethnic minorities was still happening in the U.S, many Vietnamese immigrants could not land a job in a general U.S labor market. They tried to apply for jobs but were denied because they did not fulfill the requirements to work in general labor jobs. According to Craig Huynh, he states that

Shortly after Lani Nguyen, 28, arrived in Los Angeles in 1980, she enrolled in Glendale City College to study English and accounting. She started looking for a job, but nobody hired her. Nguyen attributed this to her limited English and her lack of work experienced in the United States. Another respondent said that even with good English skills, she would be still disadvantage when competing with mainstream workers, because of the level of work skills or cultural experience needed in general labor market (Huynh, 63).

The benefit of working in a nail salon business is to provide employment to those recent Vietnamese immigrants who could not find a job on the general workforce. Nail salon is not a dead-end job for most Vietnamese immigrants; rather, it is a temporary employment while navigating the labor market opportunities. As Tarry Hum states, “Immigrant workers can, in fact, achieve economic parity without joining the labor market. Ethnicity is positive within the ethnic economy, whereas it reflects subordination in the secondary labor market. For these immigrant groups, social capital and ethnic resources enabled them to overcome both institutionalized discrimination and human capital deficiencies” (Hum, 68). Vietnamese immigrants use their social network within their families and in their Vietnamese community to land a job since they were discriminated in the broad-spectrum of labor outside their ethnic enclave.

The nail salon is one of the examples of the ethnic economy in the U.S. It is the business that has become their specialization. It has also developed as a popular workplace for Vietnamese immigrant communities because of their open opportunities. Nail salons provide a fast and easy avenue to get jobs; they develop kinship and establish

relationships with their peers; and they used it as a stepping stone in that the workers hope they could someday own a nail salon. Moreover, since most of the Vietnamese who came to the U.S after the Vietnam War were immigrants, they had an inability to speak the English language, and they mostly depended on their immediate family for support. With no English proficiency requirements to work in a nail salon, it is easier for them to settle in a new labor environment in the U.S. Furthermore, according to “A Preliminary Survey of Vietnamese Nail Salon Workers in Alameda County, California” by Thu Quach, “The nail salon industry draws so many Vietnamese workers that Vietnamese is one of the primary foreign-language options for the license examinations offered in California” (Quach, 337). The inclusion of Vietnamese language as part of the license examination makes it easier for newly arrived Vietnamese immigrant to pass the licensure exam since most of them are fluent in speaking and can understand their own native language.

In addition, according to “The Study of Vietnamese Small Business Owners in America by Hung Chu, he states that “Vietnamese Americans came to America primarily as refugees. Given the language barrier and their limited skills, they were offered lower-status and lower paying positions. For others who had a strong educational background in their home country, their credentials were often not recognized by American employers” (Chu, 63). Many Vietnamese immigrants do not use their education gained in Vietnam because the academic standard in the U.S is different from their own native country; therefore, it is difficult for them to get a job. As a result of their less competitive qualification, most of their applications are turned down by many industries, institutions and companies. Instead of giving up, they use their initiative to create their own small

business within their ethnic enclave, yet they are still part of the American society. Without any large capital, they oftentimes borrow money from their immediate families and relatives for the start-up costs of nail salon business. Also, since the English language is one of the requirements in getting a job in general workforce, it is more practical for Vietnamese immigrants to focus within their language, niche and culture rather than forcing themselves to the competitive general labor market in the U.S. According to Tarry Hum, in the article entitled “The promise and Dilemmas of Immigrant Ethnic Economy,” he states that “An important human capital disadvantage common to immigrants is the low level of formal education, which is critical for labor market success” (Hum, 72). Since most of them came to the U.S as an immigrant from Vietnam, they did not have a chance and a time to get an education here in the U.S because they need to work and earn for immediate money to support themselves and their families.

Aside from having a requirement of English proficiency, most large companies and industries in the general labor workforce required experience and education, whereas working in an ethnic enclave require little expertise or prior experience. Therefore, many Vietnamese immigrants cling to the ethnic enclave because of their inability to fulfill the requirements in the competitive general workplace. Moreover, other Vietnamese immigrants work in nail salon business because of family factors; while doing a multi-task labor, they can be more productive. Instead of paying for child care, they can take care of their own children while doing a manicure for their customers. In that way, they can save a little bit of money by multi-tasking. In the article by Craig Huynh, he states that “Vietnamese refugee women chose the manicure business because it allows them to provide the needs of family members. For many of the women, the manicure business

functions as an extension of the family itself, allowing the women to spend more time with their children and saving on childcare expenses” (Huynh, 63).

Moreover, I went to one of the nail salon business in Los Angeles, California, located in Westwood. Once I got inside the building, I saw a large amount of Vietnamese immigrant workers. The nail salon technicians refused to allow me to interview them because most of them did not speak English language and were busy working with their customers. So I decided to interview the manager of the nail salon. As I interviewed him, he said that he has been working in the nail salon for almost five years together with his wife as immigrants from Vietnam. He used to work in another company, but, unfortunately, it was closed. I asked him how the business is going so far, he answered that the business is doing good, but the employees, who includes himself, are still making a paycheck-to-paycheck salary. But he is glad that he is working with his wife and fellow Vietnamese immigrants. To him, it is more of an ethnic workplace because they usually hire Vietnamese employees. The manager also told me that when they need employees, they advertise it on local Vietnamese newspaper, television and word of mouth in the Vietnamese community. (3-7-2012, Interview).

This advertising idea in hiring an employee is connected to the article entitled, “Vietnamese nail down the U.S. manicure business” in *Los Angeles Times* by My-Thuan Tran, where he states that “Salons across the Midwest and East Coast advertise for workers in Orange County's Vietnamese-language newspapers. As a result, these days, it's hard to meet a manicurist who isn't Vietnamese. In California, Vietnamese Americans make up an estimated 80% of nail technicians, according to the industry's trade publication. Nationwide, it's 43%. ‘The Vietnamese have taken over the nail industry,’

said Tam Nguyen, who operates the beauty school his refugee parents started,” (Tran, May 5, 2008). Like many other minorities in America, the Vietnamese immigrants created a landscape community by bonding and working together to form a sense of place and created a sense of belonging. They also created their own solutions to the competitive labor market by developing their own small business and at the same time by hiring their co-ethnic employees.

Starting from the ethnic enclave in Little Saigon, the nail salon business has surged and has become a major business industry in the U.S. They developed the nail salon business into a Post-Fordism business industry. The nail salon business is not the biggest industry in the U.S, but it is one of the fastest industries ever created. Rather than acquiring the existing jobs of Americans, the Vietnamese immigrants found an idea to create their own jobs that both benefit them and the American society. According to the article entitled “Immigrants Entry Level Business: A Study of Business Nail Salons,” Le Diem Duong states that “The surge of Vietnamese immigrant ownerships of nail salon began in the 1980’s. In 1995, the number of manicurists in the nation was 35,000 and in only ten years that number tripled to an astonishing figure of 105,000 (Chang 2006) with more than 83,500 manicurists in California, 80% of the population are Vietnamese (MT Lite 2005). Currently, there are 51,000 nail salons owned and operated by Vietnamese immigrants in California today (Nguyen 2006) and across the nation’s statistics in 1990, there were 32,674 and 53,615 in 2003 (Dickson 2005,” (Duong, 12). This shows that they created their own jobs and employ many employees with minimal help from the U.S. government. Also, through these nail salon business, Vietnamese immigrants are able to contribute to the economy by paying taxes. By law, the U.S government required any

businesses such as nail salon with employees to withhold payroll taxes from employees' paychecks and to pay the applicable federal, state and local taxes as part of the regulation. Failure to pay the required taxes is punishable according to the U.S law. Another contribution of the nail salon to the U.S economy is it also creates jobs and employment for the community which in return it provides people with income where they spend. Without a job and a source of income, people have less money to spend on goods and services; they also have less money to pay for taxes. As a result, they often receive government benefits such as food stamps, unemployment benefits and cash aid to meet the everyday needs to survive. By having these benefits from the government, they will temporarily be able to pay for food, rent, clothing and other necessities to live. A high long-term unemployment rate will slow down the U.S economy because the U.S government has to extract monetary funds from the U.S Federal Reserve System (also known as the Fed) to support their unemployed citizens. The nail salon business tries to decrease unemployment rate in the U.S by creating jobs. According to the website about.com, "Small business -- firms with fewer than 500 employees -- drives the U.S. economy by providing jobs for over half of the nation's private workforce. The latest figures from the SBA show that small businesses with fewer than 20 employees increased employment by 853,074 during 2001-2002" (about.com). Additionally, according to J. Mariah Brown in the article entitled, "How Important Are Small Businesses to Local Economies?", she states that "A small business is defined as a business (corporation, limited liability company or proprietorship) with 500 employees or less. According to the U.S. Small Business Administration (SBA), small businesses represent 99.7 percent of all employer firms. Since 1995, small businesses have generated 64 percent of new jobs, and

paid 44 percent of the total United States private payroll, according to the SBA. Nail salons contribute to local economies by bringing growth and innovation to the community while providing service and attracting new talented employees and inventions in which the business is established. Small businesses like nail salons also help stimulate economic development by providing employment opportunities to people who may not be employable by bigger corporations, institutions and companies.

According to the article entitled “From Refugees to Americans: Thirty Years of Vietnamese Immigration to the United States by Alicia Campi, she states that “In Baton Rouge, Louisiana, Charlie Ton has built a multi-million dollar empire with over 700 nail franchise locations (many located in Wal-Mart’s as ‘Regal Nails,’ which is growing at the rate of 125 per year). His headquarters has 50 employees in the nail supply division and 10,000 nail supply customers” (Campi, 4). The growing nail business has become a multi-million dollar industry, which illustrates that through hard work, creativity and perseverance, a Vietnamese immigrant can be a successful businessman or businesswoman. In addition, according to the website, reason.com, the article entitled, “The Nail File: The economic meaning of manicures, the author states that “It came in the 1980s, as Southern California’s large community of Vietnamese immigrants discovered the business. From 1984 to 1989, the number of licensed nail techs in Los Angeles County jumped from 9,755 to 15,238, about 80 percent of whom were Vietnamese-born. Over the next decade, their salons spread from California across the country. The new entries, says Nails Editor Cyndy Drummey, made the prices much, much cheaper and made what used to be luxuries more-affordable luxuries....It’s like the electronics industry.

The discount salons developed techniques for getting the job done much more quickly, though less luxuriously and with minimal chit-chat. They treated manicures more as a product--nice nails--than as a pampering service. That tradeoff was fine for the new clientele of busy, price-conscious women. The market boomed” (reason.com). This is evidence that the nail salon business, which started from niche industry in Vietnamese community in California, has become a huge economic boost to the U.S economy and has spread throughout different states. The nail salon used to be only for wealthy individuals and white privilege clientele who could afford \$60 per service. Now it has become more affordable and convenient for a person of any class or cultural background. According to Julie Willett, in the article entitled “Hands Across the Table” A Short History of the Manicurist in the Twentieth Century, she states that “In the 1990s, Vietnamese owned nail salons quickly transformed the professional manicure and pedicure from a luxury of the rich to a working- and middle-class beauty routine” (Willet, 59). Because of the Vietnamese immigrants, many Americans have now the privilege to get their nails done with affordable price, comfort and quality customer service.

According to the article entitled “Vietnamese nail down the U.S. manicure business in Los Angeles Times, by My-Thuan Tran, the author states that “Diem Nguyen, a former South Vietnamese navy commander, enrolled in beauty school himself and encouraged friends to get into the nail business. By 1987, the Nguyens had opened Advance Beauty College in Little Saigon, translating classes into Vietnamese. Such success stories spread to thousands of Vietnamese refugees who came to the United States, hoping to rebuild their lives. Today, Vietnamese entrepreneurs have found a whopping success in the nail business, such as the Happy Nails Co. chain that is a staple

in malls across Southern California, with more than 40 stores,” (Tran, May 5, 2008).

Happy Nails Co. started as a family-owned business by Vietnamese immigrants and now has expanded into different branches throughout California. Through hard work and perseverance, Vietnamese immigrants have become a factor to the development and growth of the economy in the U.S.

Furthermore, as stated by Alicia Campi, in the article entitled “From Refugees to Americans: Thirty Years of Vietnamese Immigration to the United States,” “The nail salon business in the United States in 2003 was worth more than \$6 billion. The number of salons shot up from 32,674 in 1993 to 53,615 in 2003, and revenues have grown 67 percent in the past decade. Vietnamese quickly saw that nail shops could become profitable family businesses, and even males learned how to manicure and pedicure in order to support themselves. Nails Magazine credits the Vietnamese with changing and re-defining the industry more than any other group, helping to increase the number of salons by 374 percent over the past decade, and making nail care a service that anyone from teens to working women can afford. Additionally, according to the National Congress of Vietnamese Americans, businesses owned by Vietnamese Americans employed 97,035 people, had an annual payroll of \$1.1 billion, and generated annual receipts of \$9.3 billion in 2003, (Campi, 4). This annual growth and increase in employment is credited to the growing success of nail salons in the U.S., particularly in California. The vital success of nail salon business has contributed to the economy of the U.S by employing many people, not only Vietnamese immigrants but also others who came from an ethnic background. The continued success of the nail salon business is because of their quality service, quality labor, affordable price that customers were able

to benefit. Because of their customer oriented mindset, they attract more customers which resulted to more profits. According to The Study of Vietnamese Small Business Owners in America by Hung Chu, he states that “Besides hard work, Vietnamese American entrepreneurs indicated that friendliness to customers, good customer service and appropriate training are crucial to building a strong customer base” (Chu, 63).

Therefore I conclude that the Vietnamese immigrants have found their way to survive in the United States with limited resources and minimal help from the government as refugees. With the ongoing discrimination in the workplace in the U.S, it did not stop them from pursuing a decent job, which benefits them and the country. This shows that this group of people has worked hard; they persevere through struggles, obstacles and they took an initiative to find an industry that fits their potential. Not only have they become an integral asset to the U.S economy, nail salons create hundreds of thousands of fairly pleasant jobs at decent wages which contribute to the economy of the U.S. Through employing numerous employees within their ethnic background and other ethnicities, they keep money circulated and reduce the unemployment rate in the country. Furthermore, by paying taxes such as state, federal and payroll tax as a small business owner and worker, they are injecting money to boost the U.S economy. Because of their strong relationship within their community as they practice enclave economy, it really works for them to survive in this competitive labor workforce. They do not need the U.S government to bail them out through bankruptcy unlike the big corporations. Instead of acquiring a large amount of money through bank credit, most of them use their small capital efficiently by borrowing money from their families and friends.

Many Vietnamese immigrants in general have become prosperous in the U.S. as a worker, an owner and some of them worked in different institutions. Many Vietnamese immigrants have revolutionized the nail salon industry by introducing a lower price, walk-ins, and quality service. They erased the idea that only rich and white clientele can afford the manicure service. Instead of charging a high price and choosing their customer, they turn it into a public service that is affordable and accessible in which any class, gender and ethnicity can benefit. Vietnamese immigrants have faced a lot of obstacles and challenges in the U.S such as limited English skills, discrimination in the labor workforce, and long hours of work in a minimum wage job, but they keep persevering, hoping that their lives will be better someday. Their motivation is that someday they will find job security which they can control and manage. They have also built strong, enclave economic communities as they employ people from their own ethnic background, especially the recent immigrants from Vietnam. Twenty years ago the nail salon was new to the Vietnamese immigrants, but because there is no available jobs for them in the market and their inability to speak the English language, nail salon businesses offer a non- English language requirement job, easy to start-up with low capital investment and use Vietnamese language licensure exam. It has become the industrialized niche market for them. The nail salon businesses are the fastest growing business in the U.S and still continue to contribute to the economy of the U.S. by providing employment opportunities to people such as Vietnamese immigrants who could not be employable by bigger corporations, institutions and companies.

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