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<http://www.stacheact.com>  
[info@AmericanMustacheInstitute.org](mailto:info@AmericanMustacheInstitute.org)  
877-STACHE-1

# **Mustached Americans And The Triple Bottom Line: An Analysis Of The Impact Of The Mustache On Modern Society And A Proposal For A Mustached American Tax Incentive**

**Dr. John Yeutter, PhD, CPA CFP®  
Northeastern State University, Tahlequah, OK**

## **ABSTRACT & INTRODUCTION**

In contrast to the argument of Milton Friedman<sup>1</sup>, modern corporate theory now asserts that corporations have a responsibility to society beyond the simple economic purpose of increasing shareholder wealth<sup>2</sup>. The concept of the "Triple Bottom Line" appearing in the mid 1990's<sup>3</sup>, captures this responsibility, arguing that corporations and groups should be measured not only through their economic or financial, but also social and environmental accomplishments and impact. So a corporation is seen as a person, and their actions are measured by their effect on the economy, on society, and on the planet. Just as these measures apply to for-profit corporations, so also this rubric can be used to evaluate the impact of other groups, such as the activities of the Mustached American people, or people of Mustached American descent or heritage as they are commonly known.

Recent studies demonstrate that a Mustached American lifestyle can have a positive impact on the American economy, but little has been done to show the other effects of this group. In this white paper we summarize the environmental, social, and economic impact of the mustache on America. As a result, this white paper creates an argument for a tax incentive for the growth and maintenance of labia sebulculas (Latin for "lip sweaters") as an essential part of any economic recovery plan.

This paper proposes a bill in the United States Congress, the "Stimulus To Allow Critical Hair Expenses Act of 2010" or "STACHE Act," which would provide for a tax deduction of up to \$250 for the expenses associated with facial hair grooming.

## **ENVIRONMENTAL IMPACT**

During these times of heightened environmental awareness and responsibility, mustache growth and maintenance has proven to be an efficient, eco-friendly enterprise. Mustache grooming aids are largely natural and environmentally friendly, and do not contribute to either ozone depletion or global warming as is the case with other types of hair care products.

In addition, the cookie duster can act as a natural warming device, allowing the Mustached American to reduce dependencies upon artificial heating devices and save vast quantities of energy during cooler months. Further, proper mustache maintenance reduces solid waste, as not only are the vibrissae themselves not deposited into landfills, but also a significant amount of disposable razors are saved from dangerous misuse.

Other environmental benefits of the appropriate growth and grooming of mustaches include inarguable proof that owning and operating a proper mustache reduces shaving, thus reducing the use of water, shaving cream, and environmentally harmful chemicals found in after-shave lotions and tonics. Additionally, reduced nasal drainage caused by breathing harmful airborne pathogens are effectively filtered through mustache fur, thus limiting the amount of dangerous carbon dioxide reaching the ozone layer.

Mustache growth also produces a dramatic reduction in emergency room visits for shaving accidents, as well as reduced medical bills as mustaches inhibit inhalation of harmful pathogens and sun exposure, thus reducing skin cancer cases and internal pathogens.

## **Social Impact**

It is difficult to ignore the impact Mustached Americans provide to society as a whole. Agriculture was revolutionized by the accomplishments of George Washington Carver and other Mustached Americans at Tuskegee University. The modern era of Civil Rights began with Vice President Charles Curtis, an enrollee in the Kaw Tribe, who as Senator from Kansas produced in 1916 legislation to protect Indian cemeteries from development, and in 1923 introduced the original Equal Rights Amendment. Mustached Americans are at the heart of the civil rights movement, led by Mustached



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Americans such as Dr. Martin Luther King, Medgar Evers, and *إمام الشباز الحاج مالك* (El-Hajj Malik El-Shabazz or Malcolm X).

Other societal impact of the Mustached American can be seen in the arenas of sports and entertainment. Many sports figures, particularly in baseball, assert that the mustache is the ultimate performance enhancer and therefore can be used as a deterrent from the less effective performance enhancing substances such as steroids or HGH.

The entertainment world nor American culture overall would not be what it is today without the innovations and creations of Walt Disney, who holds the records for both the number of Academy Award nominations (56) and the number of awarded Oscars (26). Of course, this does not even take into account the accomplishments of Burt Reynolds, Sam Elliott, Billy Dee Williams, Tom Selleck, Richard Roundtree, John Waters or the late Estelle Getty.

### **ECONOMIC IMPACT**

A recent study by the esteemed researcher Dr. Menjou-Bärtchen<sup>4</sup> has shown that Mustached Americans earn 4.3 percent more than their clean-shaven counterparts. The average Household income of Americans with males in the household is \$63,507.<sup>5</sup> In contrast, the Mustached American household earns \$2,730 more, or \$66,237. Assuming an average federal tax rate of 25 percent on this incremental income, the Mustached American pays in excess of \$675 more than his or her clean-shaven counterpart.

To maintain the Mustached American lifestyle that produces this increased income, however, requires some substantial expenditures. The Menjou-Bärtchen research study evidences this, reporting that Mustached Americans spend 10 percent of their disposable income on toiletries. In order to maintain the power of income production, mustaches must be carefully maintained and groomed.

Varying expenses may include:

- Mustache and beard trimming instruments;
- Mustache wax and weightless conditioning agents;
- Facial hair coloring products (for men and women over 43 years of age);
- Bacon;
- Mustache combs and mirrors;
- DVD collections of "Magnum P.I." and "Smokey & The Bandit;"
- Mustache insurance (now required by state law in Alabama, Oregon, Maine, and New Mexico, and Puerto Rico);
- Billy clubs or bodyguards to keep women away as a mustache increases good looks by an estimated 38 percent;
- Little black books and jumbo packages of kielbasa sausage;
- Burt Reynolds wallet-sized photos.

### **SUMMARY**

In summary, the grooming habits of Mustached Americans are a clear example of financial, social and environmental responsibility—the triple bottom line. It is appropriate that Congress allow a limited of deduction to people of Mustached American heritage in recognition of the value that their lifestyle provides to the economy, to society, and to the environment.

### **TAX PROPOSAL**

Given the clear link between the growing and maintenance of mustaches and incremental income, it appears clear that mustache maintenance costs qualify for and should be considered as a deductible expense related to the production of income under Internal Revenue Code Section 212. This deduction, however, is limited, in that it is allowed only if these production of income expenses, in total, exceed 2 percent of adjusted gross income, and also only if the taxpayer itemizes deductions.

This limitation on the deductibility of mustache grooming supplies and accessories, as well as the taxation of the additional earnings of the Mustached American, provides a disincentive for the clean-shaven to begin the enjoyment of the Mustached American lifestyle. This is contrary to public policy, since tax law should provide clear incentives for actions that stimulate the economy, promote societal development, and clean the environment.



What's more, a recent nationwide public opinion poll conducted by Menjou-Bärtchen Research Consultants shows that most Americans—even including those U.S. adults with no facial hair whatsoever—support this change in tax policy. The only significant opposition comes from Goateed Americans who are claiming “facialism” because this legislation—as proposed—would not extend to them.

**Q: Some in Washington are considering a small tax incentive for people of Mustached American decent or heritage due to the inherent costs associated with the Mustached American lifestyle. Would you support or oppose legislation to eliminate the tax penalty that exists for Mustached Americans?**

	Total Population	Mustached Americans	Goateed Americans	Clean-Shaven Americans
<b>SUPPORT</b>	74%	98%	38%	69%
<b>OPPOSE</b>	26%	2%	62%	31%

Congress has previously provided tax incentives for specific societal segments whose efforts enhance economic growth. In 2002, Congress, in the “Job Creation and Worker Assistance Act of 2002<sup>6</sup>” recognized the contributions of educators to the American economy, and the corresponding necessary and unreimbursed expenditures to produce those contributions, allowing a special deduction for classroom teaching supplies.<sup>7</sup> In a similar manner, we propose today a similar economic incentive for Mustached Americans, the Mustached American Economic Assistance Act of 2010.” This bill would allow up to a \$250 deduction for expenditures for mustache grooming supplies in the determination of Adjusted Gross Income.

This incentive could have a substantial effect on the economy. If the incentive causes only 5% of the more than 50,000,000 households with no male adult with facial hair to adopt and maintain a mustache, earnings by these households should increase by more than \$6.8 Billion. With a conservative estimate of a 25% Federal Income Tax on this incremental income, federal tax collections would increase by \$1.7 Billion. In contrast, the cost of this incentive, by the approximately 20 million Mustached American households, cannot exceed \$1.4 billion per year. Thus, this incentive would have a positive net revenue effect.

Notes:

- 1 Friedman, Milton. "The Social Responsibility of Business is to Increase its Profits". *The New York Times Magazine*. (1970-09-13)
- 2 The most recent example of this is the holding of the US Supreme Court in *Citizens United V. Federal Election Commission* that Corporations are individuals with First Amendment rights, implying a social, as well as economic responsibility.
- 3 The term found public currency with the 1997 publication of the British edition of John Elkington's *Cannibals With Forks: The Triple Bottom Line of 21st Century Business* Stony Creek, CT: New Society Publishers, 1998. . There appear to be few references to the term before this date, and many claim that Elkington coined it.
- 4 Saving and Spending Patterns of Mustached Americans. White paper by Menjou-Bärtchen Research Consultants, 2009
- 5 Income, Poverty, and Health Insurance Coverage in the United States: 2008. Table 1: Income and Earnings Summary Measures by Selected Characteristics: 2007 and 2008 (<http://www.census.gov/prod/2009pubs/p60-236.pdf>)
- 6 Pub. L. 107-147, Sec. 406(a)
- 7 The allowance for “Educator Expenses” is found in Internal Revenue Code Section Section 62(a)(2)(D)



**ABOUT THE AUTHOR:** [Dr. John Yeutter](#), Ph.D., CFP®, is Associate Professor of Accounting and Tax Policy at [Northeastern State University](#) in Tahlequah, Oklahoma, where he teaches in the areas of tax policy, tax planning, and retirement planning. He earned his MAcc and PhD in Accounting from the University of Oklahoma. At Northeastern State, in addition to his teaching duties, Dr. Yeutter has supervised a free tax preparation (VITA) site serving the Cherokee County community for more than ten years. He is a member of the Oklahoma Society of CPAs and the Financial Planning Association, a regular contributor to the periodical, CPA Focus, and serves as a Board member of the Tulsa Chapter of the FPA. In 1996, Dr. Yeutter was recognized for scoring third highest in the State of Oklahoma on the CPA Exam. Dr. Yeutter is also an avid fan of collegiate sports and was honored as first runner-up in the 2009 Robert Goulet Memorial Mustached American of the Year contest.