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CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

OPERATING RESULTS
OF
INDEPENDENT DRUG STORES
IN CANADA
1938

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Published by Authority of the HON. W.D. EULER, M.P.,
Minister of Trade and Commerce.

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OTTAWA

1939

Price 15 cents

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Minister of Trade and Commerce

DEPARTMENT OF TRADE AND COMMERCE
DOMINION BUREAU OF STATISTICS
INTERNAL TRADE BRANCH
OTTAWA, CANADA

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Price, 10 cents.

CENSUS OF MERCHANDISING AND SERVICE ESTABLISHMENTS

Operating Results of Independent Retail Drug Stores in Canada, 1938

Introduction

This report is one of a series presenting average operating results in various branches of retail trade in Canada in 1938. The basic data from which the report was compiled were secured in connection with the annual survey of retail trade, conducted by the Internal Trade Branch of the Dominion Bureau of Statistics and designed primarily to provide information regarding annual trends in various kinds of business in the several provinces.

Complete statistics on retail trading are available only for the year 1930 as a result of the Census of Merchandising and Service Establishments which was taken in connection with the last Decennial Census. There were 3,559 drug stores in Canada in the Census year while approximately 1,500 drug stores report to the annual survey of retail trade. But many of these firms, while able to report general information such as total sales, payrolls, inventories and accounts receivable, are unable to furnish an analysis of their operating expenses. Returns from 370 firms were used in the preparation of this bulletin. The present report represents the first attempt of the Bureau of Statistics to provide an analysis of operating results for the retail trade. Such an undertaking is rendered difficult on account of the lack of uniformity among retail firms in classifying and recording expense data. For this reason the figures published here must be considered as indicators of general relationships rather than as material the absolute accuracy of which can be guaranteed.

Summary of Results

The underlying trend in retail drug store sales was maintained at a uniform level throughout 1937 and 1938, annual sales for the latter year for the country as a whole declining by less than one per cent from the earlier period. Results on a regional basis indicate gains in the Prairie Provinces and minor losses in other regions. Alberta sales were up 6 per cent while Manitoba and Saskatchewan reported increases of 2 per cent and 1 per cent respectively. Sales in British Columbia and Quebec were off by 1 per cent; Ontario sales declined 2 per cent while in the Maritime Provinces a reduction of 3 per cent in dollar volume was recorded.

Analysis of operating results for 1938 for the 370 independent drug stores furnishing detailed figures and included in this survey reveals an average net operating profit of 2.2 per cent of sales after making provision for an imputed value of proprietors' services but before making provision for any interest payment on own capital investment. Gross margin or profit averaged 29.8 per cent of sales while operating expenses totalled 27.6 per cent of sales. Stocks were turned on an average of two and one-half times during the year or approximately once every five months.

Of the 370 stores included in the survey, 232 or 63 per cent secured a profit on the year's operations after making allowance for an imputed value of proprietors' services while 138 stores or 37 per cent of the total operated at a loss. The profitable firms had a higher gross margin, higher rate of stock-turn and lower operating expenses both in

total and for each of the individual expense items reported than had the unprofitable firms. The 232 profitable firms operated on a gross margin of 30.6 per cent of sales, had operating expenses of 26.3 per cent of sales resulting in a net profit of 4.3 per cent and turned their stocks on an average of 2.6 times during the year. The unprofitable firms operated on an average gross margin of 28.0 per cent of sales, had operating expenses of 30.2 per cent resulting in a net loss of 2.2 per cent of sales. These firms turned their stocks 2.3 times during the year.

The proportions of profitable and unprofitable firms varied considerably for various sizes of business and for different regions of the country. The survey includes no stores with annual sales below \$10,000. Stores with annual sales between \$10,000 and \$20,000 were equally divided as between profitable and unprofitable businesses. Profitable firms outnumbered unprofitable firms 2 to 1 in the \$20,000 to \$30,000 class while larger stores reported an even higher proportion of profitable businesses. Of the 122 stores reporting and having annual sales of \$30,000 or more, 86 operated at a profit while 36 operated at a loss.

When the sample is classified geographically it is found that the proportion of profitable to total stores ranged from 45 per cent in Manitoba to 71 per cent in Alberta. The proportion of profitable to total stores reporting was 59 per cent for the Prairie Provinces as a whole, 70 per cent for British Columbia, 65 per cent for Ontario, 61 per cent for Quebec, and 62 per cent for the Maritime Provinces. Interpretation of these regional differences should normally be made in the light of differences in average sales per store in the various provinces. Annual sales per store averaged approximately \$31,000 in Ontario and Manitoba and ranged within narrow limits of \$25,000 for each of the other provinces.

General Operating Expense Analysis

In addition to reporting total expense figures each firm was asked to give a breakdown of its expenses into thirteen different items. Payroll constitutes more than half the total operating expenses of drug stores, the amount computed for this item forming 16.9 per cent of annual sales. Included in the payroll data are salaries and wages of employees and an estimated value for the services of those proprietors who devoted the major portion of their time to their retail business. The amounts attributed to these proprietors were obtained in the following way: The expense schedule asked that the number and salaries of proprietors receiving a stated salary be reported. It also asked for the number of proprietors who did not draw a stated salary but whose remuneration consisted only of profits secured from the year's operations. The returns of those firms reporting proprietors' salaries were used in arriving at an average salary per proprietor for stores in different size classes. These averages were then assigned to all proprietors in each size class irrespective of whether or not stated salaries were reported. This practice leads to the classification as unprofitable of some returns whose actual figures may have shown a profit due to a very small amount being reported for proprietors' salaries. On the other hand, it transferred to the profitable classification some returns on which the appearance of an unduly large item for proprietors' salaries would have assigned to the unprofitable group. Average values of proprietors' services for various size classes as used in this survey are as follows:

<u>Amount of</u> <u>Annual Sales</u>	<u>Average Salary</u> <u>per Proprietor</u>
\$	\$
10,000 - 20,000	1,600
20,000 - 30,000	1,900
30,000 - 40,000	2,000
40,000 - 50,000	2,200
50,000 - 60,000	2,400
60,000 - 80,000	2,600
80,000 - 100,000	2,600
100,000 and over	3,000

On allocating these amounts to proprietors in the various size classes, proprietors' salaries are estimated at 6.1 per cent of sales. Employees' salaries and wages formed 10.8 per cent of sales, making a total payroll item of 16.9 per cent. It should be noted that proprietors' salaries were estimated only in the case of unincorporated companies. Pro-

proprietors of incorporated companies who devoted the major portion of their time to their retail business were considered as employees and their compensation was included with salaries and wages paid to employees. Proprietors' salaries formed 9.0 per cent of sales in stores having an annual turnover of between \$10,000 and \$20,000, while employees' salaries and wages formed another 8.4 per cent. Corresponding ratios for stores with annual sales from \$20,000 to \$30,000 were 7.1 per cent for proprietors and 9.8 per cent for employees. For still larger stores the payroll ratios were 4.4 per cent for proprietors and 12.3 per cent for employees. The declining relative importance of proprietors' salaries in the total payroll cost as size of store increases is a natural consequence of the fact that in the smaller stores the proprietor performs a great many of the tasks normally carried out by employees in the larger firms. It should also be remembered that some of the larger stores are operated under the corporate form of ownership under which conditions working proprietors are automatically included with paid employees.

The necessity of allocating an imputed value for services performed by proprietors introduces an unavoidable element of arbitrariness in the operating results for retail stores. The attached tables give separate ratios for proprietors' and employees' salaries. Any owner who does not draw a stated salary and wishes to compare his results with the averages for his size of business can deduct the proprietors' payroll percentage shown from the total operating expenses and add the same percentage to net profit.

Advertising expenses formed 1.0 per cent of drug store sales while "supplies" including wrapping paper, bags, twine, etc., were only slightly less at 0.9 per cent. A considerable number of reporting firms advised that cost of supplies was included with the cost of merchandise purchased for resale and was not considered as an expense item. In order to secure uniformity in the results shown in the tables all such firms were asked to give an estimate of their purchases of supplies. These figures were deducted from cost of merchandise purchased and were assigned to the appropriate expense classification.

Communication costs, including telephone, telegraph and postage amounted to 0.6 per cent of sales. Bad debt losses are of but minor importance in drug stores compared with most other lines of retail trade, the amounts reported under this category forming only 0.2 per cent of sales.

Rental costs averaged 4.1 per cent of sales for stores in rented premises. The survey questionnaire contained five other items closely allied with occupancy costs and figures for which are significant only when considered separately for owned and rented stores. Taxes, (including property and business taxes) formed 1.4 per cent of sales for owned stores compared with 0.6 per cent for rented stores. Insurance costs were 0.9 per cent and 0.6 per cent of sales for the two types respectively. Light, heat and power cost 1.3 per cent of sales for owned stores compared with 1.0 per cent for rented premises. Amount paid for repairs and maintenance was twice as high for owned as for rented stores, ratios of such expense to sales being 0.6 per cent and 0.3 per cent respectively. Allowances for depreciation on owned property including delivery equipment amounted to 1.5 per cent and 0.9 per cent of sales for stores in owned and rented premises.

Interest on borrowed money including mortgage interest but exclusive of any allowance for interest on own capital investment formed 0.3 per cent of sales while sundry expenses including all items which could not be properly allocated to any of the classifications listed on the schedule amounted to another 0.6 per cent.

Operating Results for Stores Classified According to Size

In addition to presenting a breakdown of operating expenses for all drug stores reporting expense data, the attached tables present similar statistics for stores classified into three size-of-business groups. Gross margin as a percentage of sales varied but slightly for the three size classes, ratios of margin to sales averaging 29.8 per cent for stores with annual sales between \$10,000 and \$20,000, 29.1 per cent for stores with annual sales between \$20,000 and \$30,000 and 30.1 per cent for stores with annual sales in excess of \$30,000. Reason for the comparative constancy in gross margins may be found at least in part in the greater than

usual proportion which price-fixed merchandise forms of the stock-in-trade of drug stores.

Total expenses averaged 29.1 per cent of sales for the smaller stores, 27.2 per cent for the middle size class and 27.3 per cent for the larger concerns. Stocks were turned on an average of twice during the year by the smallest stores, 2.3 times by the middle-size group and 2.8 times by the larger stores.

Explanation of Terms

Gross Margin--Gross margin represents the difference between net sales and the cost of goods sold which amount is obtained by adjusting purchases of goods during the year for differences between year-end inventories. That is to say, cost of goods sold equals the value of inventory at the beginning of the year, increased by the value of goods purchased and decreased by the inventory at the end of the year. Value of purchases includes the invoice value of goods bought less any returns, allowances or discounts received from manufacturers or wholesalers. The cost of goods also includes duty and inward freight, express or truckage. Outward delivery costs and other store expenses are not included.

Payroll--Payroll includes salaries, wages and commissions paid to all full-time or part-time employees including amounts paid to members of proprietors' families who serve in the capacity of employees. It also includes an imputed value for the services of proprietors who devote the major portion of their time to the business in question.

Advertising--Included in this item are all amounts paid for various types of advertising, newspaper, handbill, radio, etc.

Supplies--The amount reported under this heading includes expenditures for all supplies used in connection with the business such as wrapping paper, bags, twine, office supplies and in addition supplies such as gas and oil for the firm's own delivery equipment.

Communication--Telephone, telegraph and postage were to be reported under this heading.

Taxes--All licenses and taxes including both property and business taxes but exclusive of Dominion income taxes were to be reported here.

Insurance--Amount of premiums paid for insurance of all types carried in connection with the business was to be reported: fire, theft, plate glass, insurance on delivery equipment, etc.

Rent--Only rentals paid for premises actually used in connection with the business were to be reported.

Heat, Light and Power--Water rates, if paid separately from taxes, were to be included here in addition to all amounts paid for fuel, light and power.

Bad Debt Losses--Each firm was asked to report the amount actually written off as bad debts during the year less bad debts written off in previous years and recovered in the year in question. In some instances amounts transferred to bad debt reserves may have been reported rather than the amount actually written off.

Repairs and Maintenance--This item includes amounts paid for repairs and maintenance to buildings, furniture, fixtures and store or delivery equipment. Labour costs coming through the store's own payroll were to be included in the payroll item and not in this category.

Interest--Only interest paid on borrowed money, bank, mortgage, etc., was to be reported. No allowance was made for interest on own capital investment.

Depreciation--Each firm was asked to report what it considered to be a fair charge for annual depreciation on owned buildings, furniture and store or delivery equipment. From two to five per cent is generally allowed on the cost or purchase price of buildings depending upon the

type of construction. Five per cent of cost is frequently allowed on store furniture and fixtures and twenty per cent on the cost of delivery equipment.

Sundry Expenses--This includes all expenses not otherwise allocated. No separate provision was made for amounts paid outside agencies for delivery to purchasers. Such amounts would normally be assigned to the sundry expense item.

Stock-turn Rate--Rate of stock-turn was obtained by dividing the average of the year-end stock figures into the cost of goods sold. By this means the numerator and denominator in the ratio were brought to the same value basis. But no information is available to indicate the extent to which the average of the year-end figures may be representative of the average stock carried throughout the twelve-month period. Thus while the ratios shown in the tables may be used as a basis for comparisons with individual results, their accuracy as a measure of the number of times that stock was turned over during the year cannot be guaranteed.

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Table 1.--Operating Results of Drug Stores Classified by Sales
Volume and Occupancy Basis, Canada, 1938.

Item	AMOUNT OF ANNUAL SALES					
	All Stores, Total			\$10,000 - \$20,000		
	Total	Owned	Rented	Total	Owned	Rented
GENERAL INFORMATION						
Number of Stores Reporting	370	76	294	121	26	95
Total Sales	\$10,209,895	1,903,217	8,306,678	1,866,000	402,698	1,463,302
Average Sales per Store	\$ 27,594	25,042	28,254	15,421	15,488	15,403
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	29.8	29.7	29.8	29.8	31.9	29.3
Expenses--						
Proprietors' salaries	6.1	6.9	5.9	9.0	8.8	9.1
Employees' salaries and wages ..	10.8	10.2	11.0	8.4	9.4	8.2
Advertising	1.0	1.0	0.9	0.8	1.1	0.7
Supplies	0.9	0.9	0.8	0.9	0.9	0.9
Communication	0.6	0.7	0.6	0.7	0.8	0.7
Rent	3.4	-	4.1	3.5	-	4.5
Taxes	0.7	1.4	0.6	0.9	1.8	0.7
Insurance	0.6	0.9	0.6	0.8	1.1	0.7
Light, heat and power	1.1	1.3	1.0	1.3	1.6	1.2
Repairs	0.3	0.6	0.3	0.4	0.7	0.3
Depreciation	1.0	1.5	0.9	1.2	1.7	1.0
Bad debts	0.2	0.2	0.2	0.2	0.2	0.2
Interest on borrowed money	0.3	0.4	0.3	0.5	0.8	0.4
Sundry expense	0.6	0.6	0.6	0.5	0.8	0.4
Total Expense	27.6	26.6	27.8	29.1	29.7	29.0
Net Profit or Loss	+2.2	+3.1	+2.0	+0.7	+2.2	+0.3
OTHER INFORMATION						
Stock Turnover (times per year) ...	2.5	2.1	2.5	2.0	1.7	2.1

Table 1.--Operating Results of Drug Stores Classified by Sales
Volume and Occupancy Basis, Canada, 1938
(Cont'd).

Item	AMOUNT OF ANNUAL SALES					
	\$20,000 - \$30,000			\$30,000 and Over		
	Total	Owned	Rented	Total	Owned	Rented
GENERAL INFORMATION						
Number of Stores Reporting	127	30	97	122	20	102
Total Sales	\$3,109,863	709,615	2,400,248	5,234,032	790,904	4,443,128
Average Sales per Store	24,487	23,654	24,745	42,902	39,545	43,560
PROFIT AND LOSS--(In percentages of Sales)						
Gross Margin or Profit	29.1	28.1	29.4	30.1	29.9	30.2
Expenses--						
Proprietors' salaries	7.1	7.5	7.1	4.4	5.5	4.2
Employees' salaries and wages	9.8	8.8	10.1	12.3	11.8	12.3
Advertising	0.8	0.9	0.8	1.1	1.1	1.0
Supplies	0.9	1.0	0.8	0.9	0.8	0.9
Communication	0.6	0.7	0.6	0.5	0.5	0.5
Rent	2.9	-	3.8	3.6	-	4.2
Taxes	0.8	1.5	0.6	0.6	1.0	0.6
Insurance	0.7	1.0	0.6	0.5	0.7	0.5
Light, heat and power	1.1	1.4	1.0	1.0	1.1	1.0
Repairs	0.4	0.5	0.3	0.3	0.7	0.3
Depreciation	1.0	1.6	0.8	1.0	1.3	1.0
Bad debts	0.3	0.3	0.3	0.2	0.2	0.2
Interest on borrowed money	0.3	0.3	0.3	0.2	0.4	0.2
Sundry expense	0.5	0.5	0.5	0.7	0.5	0.7
Total Expense	27.2	26.0	27.6	27.3	25.6	27.6
Net Profit or Loss	+1.9	+2.1	+1.8	+2.8	+4.3	+2.6
OTHER INFORMATION						
Stock Turnover (times per year)	2.3	2.1	2.4	2.8	2.5	2.8

Table 2.--Operating Results of Drug Stores Classified by Sales Volume
and Net Profit or Loss, Canada, 1938

Item	AMOUNT OF ANNUAL SALES					
	All Stores, Total			\$10,000 - \$20,000		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting	370	232	138	121	62	59
Total Sales	\$10,209,895	6,746,726	3,463,169	1,866,000	966,874	899,125
Average Sales per Store ..	27,594	29,081	25,095	15,421	15,595	15,239
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit ...	29.8	30.6	28.0	29.8	31.3	28.3
Expenses--						
Proprietors' salaries ..	6.1	6.0	6.2	9.0	9.8	8.2
Employees' salaries	10.8	10.1	12.2	8.4	6.2	10.8
Advertising	1.0	1.0	0.9	0.8	0.9	0.8
Supplies	0.9	0.8	0.9	0.9	0.9	0.9
Communication	0.6	0.6	0.6	0.7	0.7	0.7
Rent	3.4	3.2	3.6	3.5	2.8	4.3
Taxes	0.7	0.7	0.8	0.9	0.9	0.9
Insurance	0.6	0.6	0.7	0.8	0.7	0.8
Light, heat and power.	1.1	1.0	1.3	1.3	1.2	1.5
Repairs	0.3	0.3	0.4	0.4	0.4	0.3
Depreciation	1.0	0.9	1.2	1.2	1.1	1.2
Total occupancy costs* .	7.1	6.7	8.0	8.1	7.1	9.0
Bad debts	0.2	0.2	0.3	0.2	0.3	0.2
Interest on borrowed money	0.3	0.3	0.4	0.5	0.5	0.5
Sundry expense	0.6	0.6	0.7	0.5	0.4	0.5
Total Expense	27.6	26.3	30.2	29.1	26.8	31.6
Net Profit or Loss	+2.2	+4.3	-2.2	+0.7	+4.5	-3.3
OTHER INFORMATION						
Stock Turnover(times per year)	2.5	2.6	2.3	2.0	2.0	1.9

* Sum of six preceding items including some expenses not strictly applicable to occupancy costs; e.g.: business taxes.

Table 2.--Operating Results of Drug Stores Classified by Sales Volume
and Net Profit or Loss, Canada, 1938--(Cont'd)

Item	AMOUNT OF ANNUAL SALES					
	\$20,000 - \$30,000			\$30,000 and Over		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting ..	127	84	43	122	86	36
Total Sales	\$ 3,109,863	2,062,411	1,047,452	5,234,032	3,717,441	1,516,591
Average Sales per Store	24,487	24,553	24,359	42,902	43,226	42,128
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	29.1	29.9	27.6	30.1	30.9	28.1
Expenses--						
Proprietors' salaries	7.1	7.6	6.3	4.4	4.2	4.9
Employees' salaries	9.8	8.6	12.3	12.3	12.0	13.0
Advertising	0.8	0.9	0.8	1.1	1.1	1.0
Supplies	0.9	0.8	1.0	0.9	0.8	0.9
Communication	0.6	0.6	0.6	0.5	0.5	0.5
Rent	2.9	3.0	2.9	3.6	3.5	3.8
Taxes	0.8	0.7	1.0	0.6	0.6	0.7
Insurance	0.7	0.6	0.7	0.5	0.5	0.5
Light, heat and power ..	1.1	1.1	1.2	1.0	0.9	1.2
Repairs	0.4	0.3	0.5	0.3	0.3	0.4
Depreciation	1.0	0.9	1.1	1.0	0.9	1.3
Total occupancy costs* ...	6.9	6.6	7.4	7.0	6.7	7.9
Bad debts	0.3	0.2	0.4	0.2	0.1	0.3
Interest on borrowed money	0.3	0.2	0.4	0.2	0.2	0.3
Sundry expense	0.5	0.4	0.7	0.7	0.7	0.8
Total Expense	27.2	25.9	29.9	27.3	26.3	29.6
Net Profit or Loss	+1.9	+4.0	-2.3	+2.8	+4.6	-1.5
OTHER INFORMATION						
Stock Turnover (times per Year)	2.3	2.5	2.1	2.8	2.8	2.7

* Sum of six preceding items including some expenses not strictly applicable to occupancy costs; e.g.: business taxes.

Table 3.--Operating Results of Drug Stores, Classified by Provinces and Net Profit or Loss, 1938.

Item	CANADA			MARITIME PROVINCES		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting.	370	232	138	47	29	18
Total Sales	\$10,209,895	6,746,726	3,463,169	1,161,589	787,166	374,423
Average Sales per Store ...	\$ 27,594	29,081	25,095	24,715	27,144	20,801
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	29.8	30.6	28.0	30.2	31.0	28.4
Expenses--						
Proprietors' salaries ..	6.1	6.0	6.2	7.4	6.6	9.1
Employees' salaries	10.8	10.1	12.2	9.9	9.9	9.9
Advertising	1.0	1.0	0.9	1.1	1.2	1.0
Supplies	0.9	0.8	0.9	1.0	0.9	1.1
Communication	0.6	0.6	0.6	0.5	0.5	0.5
Rent	3.4	3.2	3.6	2.6	2.7	2.4
Taxes	0.7	0.7	0.8	0.8	0.8	1.0
Insurance	0.6	0.6	0.7	0.8	0.9	0.8
Light, heat and power.	1.1	1.0	1.3	1.2	1.2	1.2
Repairs	0.3	0.3	0.4	0.5	0.4	0.5
Depreciation	1.0	0.9	1.2	1.1	1.0	1.2
Total Occupancy costs* .	7.1	6.7	8.0	7.0	7.0	7.1
Bad debts	0.2	0.2	0.3	0.6	0.5	0.7
Interest	0.3	0.3	0.4	0.4	0.4	0.4
Sundry expense	0.6	0.6	0.7	0.8	0.8	1.0
Total Expense	27.6	26.3	30.2	28.7	27.8	30.8
Net Profit or Loss	+2.2	+4.3	-2.2	+1.5	+3.2	-2.4
OTHER INFORMATION						
Stock Turnover(times per year)	2.5	2.6	2.3	2.4	2.5	2.1

* Sum of six preceding items including some expenses not strictly applicable to occupancy costs; e.g.: business taxes.

Table 3.--Operating Results of Drug Stores, Classified by Provinces and Net Profit or Loss, 1938.--(Cont'd)

Item	QUEBEC			ONTARIO		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting .	38	23	15	133	86	47
Total Sales	\$ 957,257	654,525	302,732	4,225,074	2,884,035	1,341,039
Average Sales per Store	\$ 25,191	28,458	20,182	31,767	33,535	28,533
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	30.5	30.4	30.7	29.1	30.0	27.2
Expenses--						
Proprietors' salaries	6.9	6.4	8.1	5.8	5.7	5.9
Employees' salaries	10.8	10.1	12.3	10.6	10.2	11.7
Advertising	0.7	0.6	0.8	1.0	1.0	0.9
Supplies	0.6	0.5	0.9	0.8	0.8	0.9
Communication	0.6	0.6	0.6	0.5	0.5	0.5
Rent	4.3	3.9	5.3	3.4	3.4	3.6
Taxes	0.8	0.8	0.8	0.7	0.6	0.8
Insurance	0.6	0.6	0.8	0.5	0.4	0.6
Light, heat and power ..	1.1	1.0	1.3	0.9	0.8	1.0
Repairs	0.3	0.2	0.5	0.4	0.3	0.5
Depreciation	1.1	1.0	1.2	1.0	0.9	1.3
Total occupancy costs* ...	8.2	7.5	9.9	6.9	6.4	7.8
Bad debts	0.2	0.1	0.3	0.2	0.1	0.2
Interest	0.3	0.2	0.5	0.2	0.2	0.4
Sundry expense	0.9	1.0	0.5	0.4	0.3	0.6
Total Expense	29.2	27.0	33.9	26.4	25.2	28.9
Net Profit or Loss	+1.3	+3.4	-3.2	+2.7	+4.8	-1.7
OTHER INFORMATION						
Stock Turnover(times per year)	2.2	2.4	1.9	2.9	2.9	2.8

* Sum of six preceding items including some expenses not strictly applicable to occupancy costs; e.g.: business taxes.

Table 3.--Operating Results of Drug Stores, Classified by Provinces and Net Profit or Loss, 1938--(Cont'd)

Item	MANITOBA			SASKATCHEWAN		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting ..	33	15	18	34	19	15
Total Sales	\$ 1,012,968	492,242	520,726	833,068	476,824	356,244
Average Sales per Store	\$ 30,696	32,816	28,929	24,502	25,096	23,750
PROFIT AND LOSS--(In percentages of Sales)						
Gross Margin or Profit	29.3	30.7	28.1	30.5	32.3	28.2
Expenses--						
Proprietors' salaries	4.5	4.6	4.3	5.6	4.9	6.6
Employees' salaries	13.9	12.7	15.0	11.3	11.3	11.3
Advertising	0.7	0.9	0.6	1.3	1.4	1.2
Supplies	0.7	0.6	0.7	0.9	0.9	0.7
Communication	0.5	0.5	0.6	0.7	0.6	0.9
Rent	3.1	2.5	3.6	3.7	3.6	3.8
Taxes	0.7	0.7	0.6	0.9	0.7	1.1
Insurance	0.6	0.4	0.7	0.7	0.6	0.9
Light, heat and power ..	1.2	1.0	1.5	1.3	1.0	1.6
Repairs	0.3	0.4	0.2	0.3	0.4	0.2
Depreciation	1.1	1.1	1.2	1.2	1.0	1.4
Total occupancy costs* ...	7.0	6.1	7.8	8.1	7.3	9.0
Bad debts	0.2	0.1	0.3	0.3	0.3	0.3
Interest	0.4	0.5	0.2	0.3	0.2	0.5
Sundry expense	0.7	0.7	0.9	0.7	0.7	0.7
Total Expense	28.6	26.7	30.4	29.2	27.6	31.2
Net Profit or Loss	+0.7	+4.0	-2.3	+1.3	+4.7	-3.0
OTHER INFORMATION						
Stock Turnover (times per year)	3.0	3.4	2.8	1.8	2.0	1.6

* Sum of six preceding items including some expenses not strictly applicable to occupancy costs; e.g.: business taxes.

Table 3.--Operating Results of Drug Stores, Classified by Provinces and Net Profit or Loss, 1938--(Cont'd)

Item	ALBERTA			BRITISH COLUMBIA		
	Total	Profitable	Unprofitable	Total	Profitable	Unprofitable
GENERAL INFORMATION						
Number of Stores Reporting ..	48	34	14	37	26	11
Total Sales	\$ 1,110,919	780,915	330,004	909,020	671,019	238,001
Average Sales per Store	\$ 23,144	22,968	23,572	24,568	25,808	21,636
PROFIT AND LOSS--(In percentages of sales)						
Gross Margin or Profit	30.2	31.1	28.2	30.4	31.3	27.9
Expenses--						
Proprietors' salaries	6.7	7.4	5.0	6.4	6.7	5.3
Employees' salaries	9.6	8.1	13.0	10.4	9.5	13.1
Advertising	0.7	0.7	0.9	1.2	1.3	1.0
Supplies	0.9	0.9	0.9	1.4	1.3	1.5
Communication	0.7	0.7	0.7	0.7	0.7	0.7
Rent	3.3	2.8	4.7	3.1	3.4	2.4
Taxes	0.8	0.8	0.8	0.6	0.6	0.8
Insurance	0.8	0.9	0.6	0.7	0.7	0.7
Light, heat and power ..	1.2	1.2	1.3	1.3	1.2	1.7
Repairs	0.4	0.4	0.4	0.3	0.2	0.5
Depreciation	1.1	1.0	1.1	0.9	0.8	1.0
Total occupancy costs* ...	7.6	7.1	8.9	6.9	6.9	7.1
Bad debts	0.2	0.2	0.1	0.1	0.1	0.2
Interest	0.3	0.3	0.3	0.4	0.4	0.4
Sundry Expense	0.6	0.5	0.7	0.7	0.6	0.8
Total Expense	27.3	25.9	30.5	28.2	27.5	30.1
Net Profit or Loss	+2.9	+5.2	-2.3	+2.2	+3.8	-2.2
OTHER INFORMATION						
Stock Turnover (times per year)	2.0	2.1	1.8	2.2	2.2	2.2

* Sum of six preceding items including some expenses not strictly applicable to occupancy costs; e.g.: business taxes.

Table 3.--Operating Results of Drug Stores, Classified by Provinces and Net Profit or Loss, 1938--(Cont'd)

Item	PRAIRIE PROVINCES		
	Total	Profitable	Unprofitable
GENERAL INFORMATION			
Number of Stores Reporting	115	68	47
Total Sales	\$ 2,956,955	1,749,981	1,206,974
Average Sales per Store	\$ 25,713	25,735	25,680
PROFIT AND LOSS--(In percentages of Sales)			
Gross Margin or Profit	30.0	31.3	28.1
Expenses--			
Proprietors' salaries	5.6	5.9	5.2
Employees' salaries	11.6	10.3	13.4
Advertising	0.9	0.9	0.9
Supplies	0.8	0.8	0.8
Communication	0.6	0.6	0.7
Rent	3.4	2.9	4.0
Taxes	0.8	0.8	0.8
Insurance	0.7	0.7	0.8
Light, heat and power	1.3	1.1	1.4
Repairs	0.3	0.4	0.2
Depreciation	1.1	1.1	1.2
Total occupancy costs*	7.6	7.0	8.4
Bad debts	0.2	0.2	0.3
Interest	0.3	0.3	0.3
Sundry expense	0.7	0.6	0.7
Total Expense	28.3	26.6	30.7
Net Profit or Loss	+1.7	+4.7	-2.6
OTHER INFORMATION			
Stock Turnover (times per year).	2.2	2.3	2.0

* Sum of six preceding items including some expenses not strictly applicable to occupancy costs; e.g.: business taxes.

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