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**OTTAWA, CANADA**

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**OPERATING RESULTS**  
**OF**  
**RETAIL CLOTHING STORES**  
**1946**



BULLETIN NO. 2

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March, 1948

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**OPERATING RESULTS  
OF  
RETAIL CLOTHING STORES  
1946**

**INDEPENDENT:**

**MEN'S CLOTHING STORES**

**WOMEN'S READY-TO-WEAR STORES**

**FAMILY CLOTHING STORES**

**FAMILY SHOE STORES**



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## DEFINITIONS.....

NET SALES represent the real volume of business done. Allowances and discounts granted to customers and value of goods returned by customers are deducted from gross sales, but sales of meals or lunches provided employees and any goods withdrawn by the proprietor for personal use are included.

GROSS MARGIN is the difference between the cost of merchandise sold and the selling price. The cost of merchandise sold is calculated by adding the beginning inventory to net purchases and deducting the ending inventory.

OPERATING EXPENSES are the amounts paid out for any and all expenses incurred in the operation of a business, except the cost of merchandise. These include:

Salaries and wages - paid to employees before deduction of income taxes or unemployment insurance. Proprietors' salaries or withdrawals are included in Net Profit.

Advertising

Store supplies - used in the business during the year - wrapping paper, office supplies, gasoline and oil for delivery trucks.

Loss on bad debts - during the year - amount written off  
Less debts which are recovered.

Taxes and Insurance - business, property and water taxes, licences including truck licences, and insurance premiums carried for the protection of the business. Income taxes and other taxes collected for remittance to governmental bodies are not included.

Rentals - monies paid for premises used only in the business.

Heat, light and power expenses - amount paid for these used during the year.

Repairs and maintenance - incurred for the purposes of keeping fixed store assets, including delivery equipment, operating efficiently.

Depreciation - allowances to cover decreases in the value of fixed store assets, including delivery equipment.

Occupancy expense - comprises taxes and insurance, rent, heat, light and power, repairs and maintenance, and depreciation.

Other expenses - telephone, telegraph, postage, bank charges, legal fees, collection and auditing fees, etc.

NET PROFIT is the difference between gross margin and total expenses, and includes proprietors' salaries and withdrawals.

STOCK TURNOVER is the number of times in a year that the merchandise is sold and replaced. The average of the beginning and year ending inventories is divided into the cost of merchandise.

DOMINION BUREAU OF STATISTICS

MERCHANDISING AND SERVICES STATISTICS

OTTAWA

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## OPERATING RESULTS OF CLOTHING STORES

### INTRODUCTION

The operating results of retail clothing stores for 1946 are presented in this report, which continues the series of bulletins published for 1944 and 1945. The survey is based upon operating statements contributed by a sample of firms throughout the country and covers four types of stores - men's clothing, women's clothing, family clothing, and family shoe stores. The sample includes both unincorporated and incorporated independent stores, but excludes chain stores.

Several innovations in the treatment of the subject matter have been introduced. A case study which describes the background and operating experiences of an apparel merchant should help other retailers to use the average ratios presented herein. Results of the four types of clothing stores are grouped to provide a composite picture of the trade. Tables and charts illustrate, clarify and facilitate understanding of the text. It is hoped that clothing merchants, students, and others, will consult these reports as sources of reference and information.

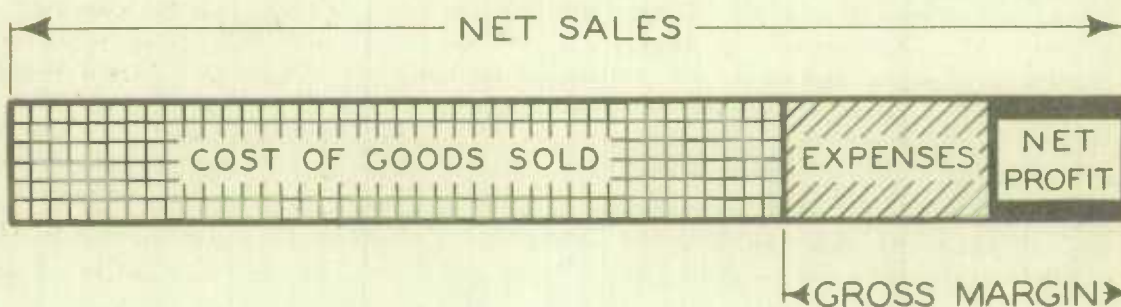
Once each year, at least, the merchant must come to grips with the task of reviewing his operations, and calculating his expenses and profits. At the same time he may make plans for the coming months, applying his knowledge, experience, and personal observations to increase the efficiency of his business. This bulletin has been prepared for the purpose of augmenting the merchant's experience with data which describe the operations of his own type and size of business.

Our studies do not attempt to deal with such matters as store layout, advertising display, and salesmanship, which may be called methods of operation. The emphasis here is upon operating results, comparisons of profit and loss statements and their component parts.

The necessity of maintaining some orderly system of book-keeping cannot be over-emphasized. If some method of current record keeping is not employed, it is difficult to compare individual operations with average experience as shown in this study. It is essential that the meanings of terms be checked in such comparisons. For this purpose a list of definitions has been inserted at the beginning of this bulletin.

The component parts of operating ratios are graphically portrayed in the following formula and bar chart:

$$\text{NET SALES} = \text{COST OF GOODS SOLD} + \text{GROSS MARGIN}$$



$$\text{GROSS MARGIN} = \text{EXPENSES} + \text{NET PROFIT}$$



## CASE STUDY .....

Every retail merchant faces problems of this nature concerning his operations:

- what is an adequate profit for his line of business,
- what proportion should be distributed in wages to employees,
- how much inventory should be carried,
- what is the proper amount to pay for rent in relation to size of business,
- how many times a year should inventory be turned over.

In order to help clothiers use the average ratios computed in the survey, a case study of the operations of several women's ready-to-wear merchants has been made. Merchants A, B, and C are located in a metropolitan area of Quebec and fall within the \$20,000 - \$49,999 size-of-business range. Each merchant presented is a composite of several retailers, so that individual operations have not been revealed. A further selection-factor concerned profitability of operations - Merchant A may be regarded as **less-than-average**, merchant B as fairly typical, and merchant C as better-than-average.

Shop A was near the centre of a block which was not part of a main thoroughfare. No remodelling or replacement of store furnishings has been carried out since the late twenties. Shallow display windows flanked the double entrance. Stock racks within the store were arranged in rows parallel to the front, with an aisle running down the middle. Two mirrors, one opposite the other, occupied the rear of the store proper, while several dressing rooms and the business office were situated at the back. Three salespersons, in addition to the proprietor, were employed.

Store B was on the corner of a centre-town block. Part of the shop had recently been rebuilt to permit recessing of stock racks. Store fixtures were in a state of transition - with new fixtures gradually replacing the former furnishings. Dressing rooms were enlarged and indirect lighting installed. Two clerks with the proprietor comprised the sales staff.

Merchant C's shop was located on one of the main avenues of the downtown shopping area. The frontage had been converted to plate glass, chrome, and black vitrolite. The interior chrome fixtures were recessed and reversible, with stock arranged by type and size. The proprietor worked with the single saleswoman and employed a part-time bookkeeper who was responsible for records, accounts, and stock marking. Another clerk was serving an apprenticeship, preliminary to assuming duties as a qualified salesperson.

In the accompanying table operating results for the three merchants are recorded, beside the average data for the same size class of a sample of clothing merchants throughout the country:

1946 OPERATING RESULTS OF CLOTHING MERCHANTS A, B, AND C  
COMPARED WITH AVERAGE OPERATING RESULTS

Item	Average data \$20,000- \$49,999	Merchant A below average	Merchant B average	Merchant C above average
Average Sales per Store ...	\$32,996	\$25,215	\$28,740	\$29,740
Average Cost of Goods Sold.	\$23,879	\$19,088	\$18,735	\$18,766
Per Cent of Net Sales ...	72.4	75.7	65.2	63.1
Average Beginning Inventory	\$ 5,201	\$ 7,712	\$ 2,543	\$ 2,339
Per Cent of Net Sales ...	15.8	30.6	8.8	7.9
Average Ending Inventory ..	\$ 6,538	\$10,123	\$ 3,627	\$ 3,560
Per Cent of Net Sales ...	19.8	40.1	12.6	12.0
Stock Turn (times per year)	4.1	2.4	5.8	6.5
Gross Margin .....	27.6	24.3	34.8	36.9
Operating Expenses:				
Employees' Salaries .....	6.7	10.5	7.8	5.5
Advertising .....	0.5	-	0.5	0.7
Store Supplies .....	0.8	1.3	0.5	0.6
Rent .....	3.0	3.7	7.2	6.7
Light, Heat, and Power ..	0.7	0.4	0.5	0.6
Repairs and Maintenance .	0.4	1.1	0.5	0.3
All Others .....	4.3	3.2	7.5	5.7
Total Operating Expenses ..	16.4	20.2	24.5	20.1
Net Profit .....	11.2	4.1	10.3	16.8

Merchant A's cost of goods sold was 76 per cent of net sales, leaving a gross margin of 24 per cent as compared to the average of 28 per cent in his size-of-business class. His beginning inventory was 31 per cent of net sales as compared to the average of 16 per cent and as the table indicates, his stock turn, dependent largely on actual size of inventory, was 2.4 times per year compared with 4.1 for his size-of-business class. This left a low gross operating margin into which high salary and store supplies ratios made sizable inroads, to result in a net profit of 4.1 per cent.

The value of Merchant B's stock as a proportion of sales, at the end of the year, was lower than the average (13 per cent and 20 per cent, respectively). The stock moved at a rate considerably higher than average. Though the rent ratio was more than double the survey proportion, other expenses compared favorably. Merchant B earned a net profit of 10.3 per cent, which was slightly below the average.

The cost of goods sold, as a ratio of net sales, for Merchant C was relatively low as were his beginning and ending inventories. The salary percentage was comparatively small; advertising bore a very similar ratio; stock turn was 6.5 times. Though the rent percentage of 6.7 exceeded the average 3.0 it was not as great as that of proprietor B. Other expenses, such as store supplies and repairs, were checked carefully. As the table reveals, total operating expenses were in excess of the 16.4 average. In consequence, however, of his high gross margin Merchant C gained a net profit which surpassed by a substantial margin the typical ratio.

To recapitulate briefly - Merchant A was relatively over-stocked and expended a large proportion in salaries; Proprietor B paid high relative rentals and salaries and might have profited by a more careful allocation of expenses classified under "all others"; Merchant C's salary outlay was proportionately less than the average and his other expenses, save rent, were satisfactory.

Any businessman may draw comparisons as indicated above. With these operating data as a basis for analysis and evaluation, dynamic conditions of purchasing, marketing, and competition might be met with more confidence.

It should be borne in mind that average operating ratios are compiled from figures submitted by a sample of firms. Any inferences drawn from these data must, therefore, be qualified by the fact that there is considerable variation between one establishment and another. Such differences are the result of varying sets of circumstances which form the operating backgrounds of individual firms.



# HIGHLIGHTS AND SUMMARY

## IN 1946.....

- Gross margins and net profits declined since 1944 in both **incorporated** and unincorporated men's and women's apparel stores, with the exception of unincorporated men's shops, where net profits increased 1.4 per cent. Net profits of unincorporated firms were double or almost double in 1946 when compared with 1938.
- The dollar value of inventories at the end of 1946 ranged between 20 and 34 per cent above the 1945 level. Clothing prices, as reported by the Dominion Bureau of Statistics, rose from 122.5 in December 1945, to 131.2 in December 1946 (1935-1939=100), to gain about 7 per cent. It follows that increases in the physical volume of merchandise were not as great as those in dollar value.
- The rate of stock turnover in men's clothing and in family clothing stores, in 1946, was almost double the 1938 rate. In women's apparel shops the increase was moderate, while the turnover improved by 70 per cent in family shoe outlets.

### MEN'S CLOTHING STORES:

1. The average unincorporated men's clothing store operated on a gross margin of 26.9 per cent in 1946 compared to 27.5 per cent in 1945, and 27.2 per cent in 1944. Curtailment of expenses almost balanced the 1946 reduction in gross margin to result in a slightly lower net profit of 13.7 per cent compared to 14.0 per cent in the previous year. (See Table 1, page 9).



2. In 1946, incorporated firms realized a gross margin of 30.5 per cent, one per cent less than the average obtained in 1945. A slight increase in salary expense accounted for a rise in total expenses to net a profit of 9.8 per cent in 1946 as compared to 11.0 per cent in 1945. (See Table 1, below).
3. No definite trend was established in gross margin or net profit over the different size-of-business classes in 1946. Total expenses reflected the trend of salaries where the ratio to net sales increased with sales volume. The ratio of rent to net sales decreased with volume of business. (See Table 5, page 18).
4. Incorporated firms operated on wider gross margins than unincorporated businesses in 1946. Salaries paid to executives of incorporated firms are included in salary expense, whereas, the salaries withdrawn by proprietors of unincorporated **stores** are not shown as part of salary expense but are included in net profit. Both types of organization were better stocked with merchandise at the end of the year than at the beginning. When making any comparison of dollar values between 1946 and previous years, caution should be exercised and allowance made for price increases. (See Table 6, page 19).

TABLE 1. - OPERATING RESULTS OF MEN'S CLOTHING STORES - 1944, 1945, 1946

Item	Incorporated Stores		Unincorporated Stores		
	1946	1945	1946	1945	1944
Number of stores reporting .	93	102	434	441	160
Average net sales per store ..... \$	142,294	120,007	57,537	51,904	45,204
Gross margin .....	30.5	31.5	26.9	27.5	27.2
Operating expenses:					
Employees' salaries ....	12.0	11.7	5.9	5.9	6.3
Advertising .....	1.2	1.1	0.7	0.7	
Store supplies .....	0.6	0.7	0.6	0.5	
Bad debts .....	0.1	0.1	0.1	0.1	
Occupancy expense .....	4.5	4.6	3.8	4.0	
All other expenses .....	2.3	2.3	2.1	2.3	
Total operating expenses .	20.7	20.5	13.2	13.5	14.9
Net profits before income tax (a) .....	9.8	11.0	13.7	14.0	12.3

(Items expressed as percentage of net sales)

(a) For unincorporated stores this ratio includes proprietors' salaries.

WOMEN'S READY-TO-WEAR STORES:

1. The average unincorporated women's ready-to-wear store operated on a gross margin of 27.1 per cent of net sales in 1946 compared to 27.7 per cent in 1945 and 27.9 per cent in 1944. Net profit ratios for the same years held similar relative positions at 10.9 per cent, 11.5 per cent and 11.8 per cent respectively. The ratio of total expenses in 1946 remained at the 1945 level of 16.2 per cent of net sales. (See Table 2, below).
2. Incorporated stores in this kind of business realized a gross margin of 29.2 per cent, some two per cent greater than that earned by unincorporated stores. Like the latter group, gross and net profits of incorporated firms were, on the average, reduced from the previous year. (See Table 2, below).
3. Both average gross margins and average net profit ratios (to net sales) in unincorporated stores declined in 1946 as volume of business increased. Although total expenses were irregular in trend, salaries increased considerably from 2.4 per cent in the smallest size group to 7.8 per cent in the largest. (See Table 7, page 22).

TABLE 2. - OPERATING RESULTS OF RETAIL WOMEN'S READY-TO-WEAR STORES  
1944, 1945, 1946

Item	Incorporated Stores		Unincorporated Stores		
	1946	1945	1946	1945	1944
Number of stores reporting	118	120	584	583	199
Average net sales per store ..... \$	105,493	123,592	38,705	36,618	31,108
Gross margin .....	29.2	30.5	27.1	27.7	27.9
Operating expenses:					
Employees' salaries ....	13.1	12.7	6.9	6.9	6.9
Advertising .....	1.3	1.7	0.7	0.7	
Store supplies .....	0.8	0.7	0.8	0.9	
Bad debts .....	0.1	0.1	0.1	0.1	9.2
Occupancy expenses .....	4.9	5.2	4.7	4.8	
All other expenses .....	2.8	2.8	3.0	2.8	
Total operating expenses .	23.0	23.2	16.2	16.2	16.1
Net profit before income tax (a) .....	6.2	7.3	10.9	11.5	11.8

(Items expressed as percentage of net sales)

(a) For unincorporated stores this ratio includes proprietors' salaries.

FAMILY CLOTHING STORES:

1. In 1946, the average gross margin realized by unincorporated family clothing stores (23.8 per cent of net sales) was one per cent lower than the 1945 figure. (See Table 3, below).
2. Incorporated stores in this class of business bettered slightly the gross margin and net profit ratios of 1945. The percentages for 1945 and 1946, were respectively-gross margin 29.1 per cent and 29.3 per cent, net profit 7.8 per cent and 8.3 per cent. (See Table 3, below).
3. In 1946, the ratio of net profit in unincorporated stores decreased as business volume expanded. Gross margin ratios, however, declined toward the middle size ranges then increased somewhat in the largest stores. Higher expenses in the larger stores more than offset the larger gross profits. Salaries increased consistently with size-of-business from 0.6 per cent to 7.8 per cent. (See Table 9, page 26).

TABLE 3. - OPERATING RESULTS OF FAMILY CLOTHING STORES - 1944, 1945, 1946

Item	Incorporated Stores		Unincorporated Stores		
	1946	1945	1946	1945	1944
Number of stores reporting .	50	49	469	461	139
Average net sales per store ..... \$	264,178	225,398	54,053	49,709	45,667
Gross margin .....	29.3	29.1	23.8	24.8	24.3
Operating expenses:					
Employees' salaries ....	12.3	12.4	5.9	6.1	5.8
Advertising .....	1.7	1.6	0.6	0.5	
Store supplies .....	0.8	0.9	0.7	0.6	
Bad debts .....	0.3	0.2	0.2	0.2	
Occupancy expense .....	3.7	4.0	3.5	3.6	
All other expenses .....	2.2	2.2	2.2	2.3	
Total operating expenses .	21.0	21.3	13.1	13.3	13.2
Net profit before income tax (a) .....	8.3	7.8	10.7	11.5	11.1

(Items expressed as percentage of net sales)

(a) For unincorporated stores this ratio includes proprietors' salaries.



# FAMILY SHOE STORES

1. Family shoe stores of the unincorporated form of organization, on the average, derived a gross margin of 26.8 per cent of net sales in 1946. This was a lower proportion of net sales than was obtained in the two previous years. Net profit ratios were 12.5 per cent in 1946, 13.9 per cent in 1945, and 12.6 per cent in 1944. (See Table 4, below).
2. Incorporated firms in this trade realized a wider margin in 1946 than unincorporated stores (31.8 per cent compared with 26.8 per cent.) Although the ratio was of similar proportion to that obtained in 1945, higher expenses in 1946 reduced net profits of incorporated stores from 9.5 per cent in 1945 to 8.2 per cent in 1946. (See Table 4, below).
3. Trends of both gross and net profit percentages were irregular over the five size-of-business classes in 1946. In common with other **retail** businesses, salaries increased as sales volume expanded, while rent expense was reduced. (See Table 10, page 29).

TABLE 4. - OPERATING RESULTS OF FAMILY SHOE STORES - 1944, 1945, 1946

Item	Incorporated Stores		Unincorporated Stores		
	1946	1945	1946	1945	1944
Number of stores reporting .	36	41	302	285	165
Average net sales per store ..... \$	96,416	97,231	44,867	41,621	41,328
Gross margin .....	31.8	31.9	26.8	27.3	27.6
Operating expenses:					
Employees' salaries ....	14.5	13.3	6.9	6.2	7.1
Advertising .....	1.5	1.4	0.7	0.6	
Store supplies .....	0.5	0.5	0.7	0.6	
Bad debts .....	(a) 9.1	(a) 9.1	(a) 7.4	0.1	7.9
Occupancy expense .....	5.4	5.3	4.2	4.1	
All other expenses .....	1.7	1.9	1.8	1.8	
Total operating expenses .	23.6	22.4	14.3	13.4	15.0
Net profit before income tax (b) .....	8.2	9.5	12.5	13.9	12.6

(Items expressed as percentage of net sales)

(a) Less than 0.05 per cent.

(b) For unincorporated stores this ratio includes proprietors' salaries.



# OPERATIONS OF CLOTHING STORES COMPARED

Incorporated firms were not included in operating cost surveys prior to 1945. For this reason, the comparisons made here refer only to unincorporated clothing stores. Available comparisons for the same stores by size-of-business are illustrated in charts on pages 17, 21, 25 and 28.

## GROSS MARGIN AND NET PROFIT

The general decline in gross margins, evident since 1938, continued in 1946, all four types of clothing stores obtaining smaller ratios than in 1945. Men's clothing, women's apparel, and shoe stores had quite similar gross margin percentages - 26.9, 27.1 and 26.8 per cent, respectively. Family clothing stores operated on a lower gross margin ratio of 23.8 per cent of net sales.

Although they realized the widest gross margin, the net profit of women's clothing stores decreased to 10.9 per cent due to high expenses. Men's clothing stores operated on lesser expense ratios to net a profit of 13.7 per cent. In all cases, net profits were much greater in 1946 than in 1938 but followed the gross margin trend of reduction from 1945, except in the case of men's clothing stores. This group operated on the highest net profit with shoe stores next. Average gross margins and net profits for retail clothing stores of the unincorporated type are shown in the following table:

GROSS MARGINS AND NET PROFITS OF RETAIL CLOTHING STORES  
1938, 1941, 1944, 1945, 1946

YEAR	MEN'S CLOTHING		WOMEN'S CLOTHING		FAMILY CLOTHING		SHOE STORES	
	Gross Margin	Net Profit	Gross Margin	Net Profit	Gross Margin	Net Profit	Gross Margin	Net Profit
1938 .	26.7	7.0	29.7	4.6	27.1	4.4	29.8	6.6
1941 .	27.7	15.3	27.5	9.4	(not available)		26.3	9.3
1944 .	27.2	12.3	27.9	11.8	24.3	11.1	27.6	12.6
1945 .	27.5	13.5	27.7	11.5	24.8	11.5	27.3	13.9
1946 .	26.9	13.7	27.1	10.9	23.8	10.7	26.8	12.5

AVERAGE SALES, BEGINNING AND ENDING INVENTORIES, AND STOCK TURNOVER

Men's clothing stores have shown the most growth in dollar volume of sales, progressing from an average of \$33,819 in 1938 to \$57,537 in 1946. Women's clothing stores averaged \$38,705 net sales in 1946, only a moderate increase since 1938. Family clothing stores averaged \$54,053 in 1946 while the average unincorporated shoe store sold \$44,867 worth of merchandise. Average sales figures are best interpreted in relation to those for preceding years in the same type of store, due to the structure of the sample.

All average inventories in 1946 were below the 1938 level, except the stock held by men's clothing stores at the end of the year. In dollar value, family clothing stores held the largest stock while women's clothing stores were smallest. This smaller inventory accounted for the stock turnover of 4.6 times per year in women's clothing stores - a higher rate than the other clothing stores. Shoe store inventory turnover, at 2.9 times, was least frequent of the four types of apparel stores, while men's and family clothing stores averaged 3.6 and 3.2 times a year respectively.

Inventories were generally at their lowest in 1944 and have since steadily increased in dollar value. The low point in the inventory of men's clothing stores at the end of 1945 may be attributed to the demand on stock made by rehabilitation of service personnel at that time, coupled with shortages of both cotton and woollen materials.

AVERAGE SALES, INVENTORIES AND STOCK TURNOVER, RETAIL CLOTHING STORES  
1938, 1941, 1944, 1945, 1946

YEAR	MEN'S CLOTHING				WOMEN'S CLOTHING			
	Sales	Beginning Inventory	Ending Inventory	Stock turnover	Sales	Beginning Inventory	Ending Inventory	Stock turnover
	\$	\$	\$		\$	\$	\$	
1938 .	33,819	12,593	12,798	1.9	37,094	6,913	7,083	3.7
1941 .	38,287	12,481	13,942	2.1	29,707	4,998	5,624	4.1
1944 .	45,205	13,168	11,592	2.7	31,108	4,827	4,840	4.6
1945 .	51,904	11,342	10,131	3.5	36,618	5,304	5,617	4.8
1946 .	57,537	9,899	13,205	3.6	38,705	5,543	6,836	4.6

AVERAGE SALES, INVENTORIES AND STOCK TURNOVER, RETAIL CLOTHING STORES  
1938, 1941, 1944, 1945, 1946

YEAR	FAMILY CLOTHING				SHOE STORES			
	Sales	Begin- ning Inven- tory	Ending Inven- tory	Stock turn- over	Sales	Begin- ning Inven- tory	Ending Inven- tory	Stock turn- over
1938 .	\$ 36,165	\$ 14,760	\$ 14,539	1.8	\$ 33,711	\$ 13,584	\$ 13,765	1.7
1941 .		(not available)			34,398	11,616	13,015	2.1
1944 .	45,667	11,398	12,014	3.0	41,328	10,443	10,525	2.9
1945 .	49,709	12,160	12,104	3.1	41,621	10,169	9,978	3.0
1946 .	54,053	11,750	14,238	3.2	44,867	10,174	12,317	2.9

AVERAGE OPERATING EXPENSES

As in other years of the survey, salaries and wages paid to employees constituted the largest single item of expense in clothing stores in 1946. Men's clothing and family clothing stores, on the average, paid out 5.9 per cent of net sales to employees and the other two types 6.9 per cent each. Advertising expense and supplies used were quite steady, ranging between 0.6 and 0.8 per cent of net sales.

Women's apparel shops spent a greater proportion for occupancy than did the other types of clothing stores. In the rented class with sales between \$20,000 and \$49,999 the occupancy expense ratio was - women's clothing 5.2, shoe stores 4.7, men's clothing 4.4 and family clothing stores 4.3 per cent. This relationship held true for the averages of all size and occupancy groups.

OPERATING EXPENSES OF RETAIL CLOTHING STORES, 1946

Expense	Men's Clothing	Women's Clothing	Family Clothing	Shoe Stores
Salaries .....	5.9	6.9	5.9	6.9
Advertising .....	0.7	0.7	0.6	0.7
Supplies .....	0.6	0.8	0.7	0.7
Occupancy .....	3.8	4.7	3.5	4.2
Others .....	2.2	3.1	2.4	1.8
TOTAL .....	13.2	16.2	13.1	14.3

(Items expressed as percentages of net sales)



# GENERAL DISCUSSION, TABLES, AND CHARTS.

## 1. MEN'S CLOTHING STORES

This classification consists of stores selling a general line of men's apparel and furnishings but excludes specialized furnishings' stores. Other specialty stores such as hat stores and custom tailors were not included.

Of the reports received from unincorporated stores 434 were usable and their results are presented in five ranges of sales size, with too few falling in the rented class under \$10,000 net sales to allow publication. Satisfactory returns from 93 incorporated firms were mainly in the rented class within the three largest size brackets.

### Trends by Size of Business (See Table 5, page 18)

The main points in size-of-business trend are presented in the section entitled "Highlights and Summary" on page 9. The proportion spent on advertising by the larger stores was double that in the smaller size groups. Salaries paid to employees followed a pattern common to most retail stores, increasing in ratio to sales volume, and accounted for the same trend in total expenses. Dollar volume of net profits was much greater in the large stores.

Every size and occupancy class registered higher inventories at the end of the year than at the beginning. The rate of stock turnover ranged from 1.6 times per year in the smallest group to 4.2 in the largest.

### Unincorporated and Incorporated Stores Compared (See Table 6, page 19)

Comparable results for the three largest size-of-business groups of rented stores are shown in Table 6. Owned stores in the incorporated type of store were too few to allow publication of results. No definite trend in profits can be seen over the three size classes. The salaries paid to employees included all firm members of the incorporated type but excluded proprietors' salaries of the unincorporated stores. The latter are included with net profit and account for the difference in net profit ratio between the two types of organization.

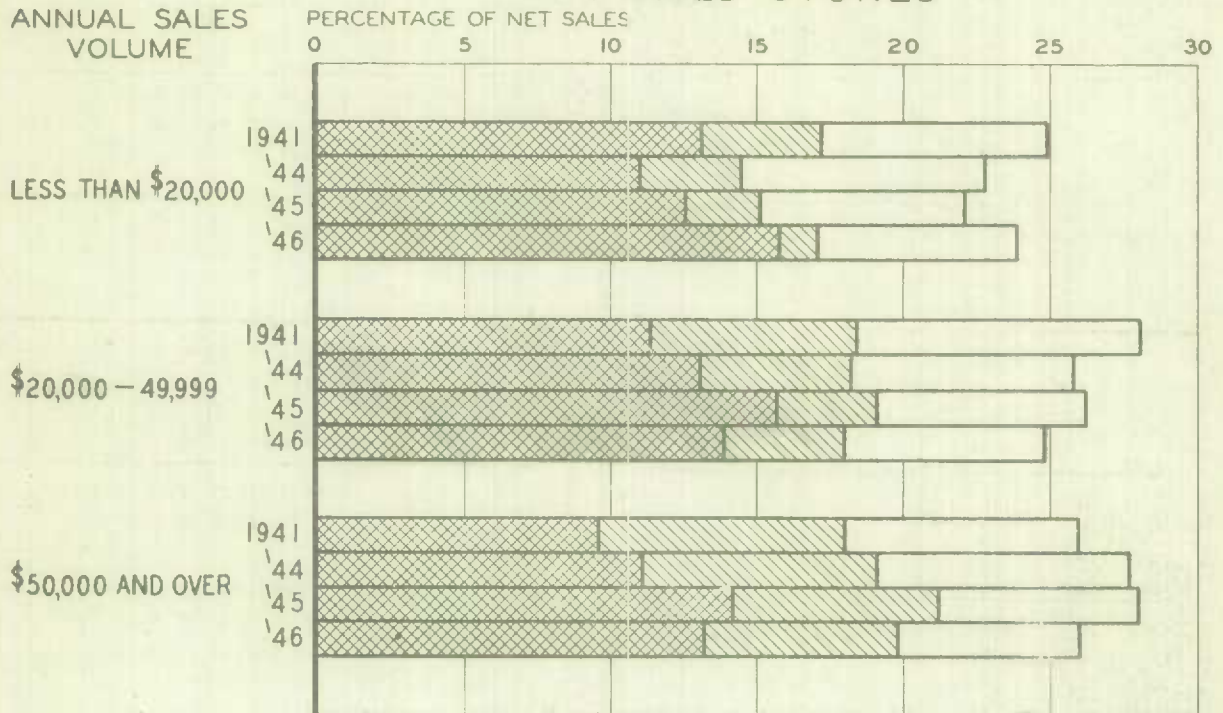
Incorporated stores generally spent more on advertising and rent than did unincorporated stores. Both types bettered their inventory position at the end of the year and incorporated firms sold and replaced their stock slightly oftener in the year than did unincorporated stores.



# OPERATING RESULTS OF MEN'S CLOTHING STORES

GROSS MARGIN = NET PROFIT + SALARIES + OTHER EXPENSES

## OWNED STORES



## RENTED STORES

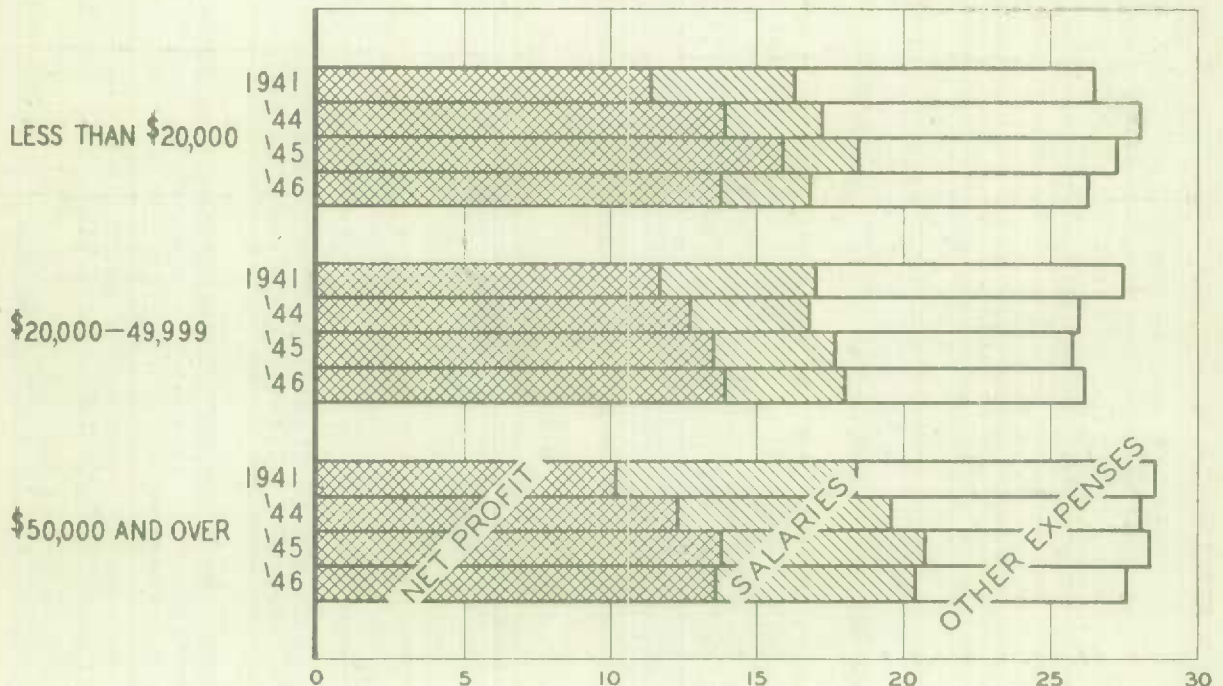


Table B.--Men's Clothing Stores - Operating Results of Unincorporated Retail Stores Classified  
According to Amount of Annual Sales and Occupancy Basis, Canada, 1946

Item	OWNED STORES					RENTED STORES				
	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and Over	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and Over
Number of stores reporting .....		23	46	25	13	11	36	130	95	50
Average net sales per store ..... \$		14,020	33,313	74,852	130,596	7,042	15,410	34,442	68,287	156,298
Average cost of goods sold, per store ..... \$		10,637	25,052	55,715	96,032	4,995	11,406	25,430	50,022	113,405
Average inventory beginning of year ..... \$	SAMPLE	4,327	7,117	11,383	19,943	2,654	3,656	7,518	10,271	23,895
Average inventory end of year ... \$		5,230	8,525	15,813	26,226	3,415	4,467	9,659	14,123	33,346
Stock turnover (times per year) ...		2.2	3.2	4.1	4.2	1.6	2.8	3.0	4.1	4.0
Average net profits per store ... \$		2,231	4,617	10,476	16,185	1,361	2,005	4,794	9,147	21,753
Number of working proprietors .....		30	52	29	15	11	36	161	121	75

PROFIT AND LOSS DATA  
(Items Expressed as Percentages of Net Sales)

Gross margin .....		24.1	24.8	25.6	26.5	29.1	26.0	26.2	26.7	26.4
Operating expenses:										
Employees' salaries and wages ...		1.4	4.1	5.5	7.8	0.7	3.3	4.1	6.0	7.4
Advertising .....		0.4	0.4	0.6	0.7	0.4	0.4	0.5	0.7	1.0
Store supplies .....		0.6	0.6	0.6	0.3	0.7	0.7	0.7	0.7	0.5
Bad debts .....		0.2	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.1
Taxes and insurance .....	T00	1.3	1.3	1.1	1.2	1.0	0.8	0.6	0.6	0.5
Rent .....		-	-	-	-	3.4	3.4	2.4	2.1	1.9
Light, heat, and power .....		1.2	0.7	0.5	0.6	1.2	0.8	0.6	0.4	0.4
Repairs and maintenance .....		0.8	0.8	0.5	0.5	0.1	0.6	0.5	0.4	0.5
Depreciation .....		0.6	0.6	0.4	0.7	0.1	0.3	0.3	0.3	0.3
All other expenses .....		1.7	2.3	2.3	2.2	1.7	2.5	2.5	2.0	2.0
Total operating expenses .....	SMALL	8.2	10.9	11.6	14.1	9.5	13.0	12.3	13.3	14.6
Net profits before deduction of proprietors' salaries and income tax .....		15.9	13.9	14.0	12.4	19.6	13.0	13.9	13.4	13.8

Table 6.--Men's Clothing Stores - Operating Results of Incorporated and Unincorporated  
Rented Stores Compared, Canada, 1946

Item	Incorporated Stores			Unincorporated Stores		
	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and Over	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and Over
Number of stores reporting .....	10	24	50	130	95	50
Average net sales per store ..... \$	38,688	68,808	200,884	34,442	68,287	158,298
Average cost of goods sold, per store . \$	27,506	49,675	138,201	25,430	50,022	113,405
Average inventory beginning of year ... \$	6,114	10,150	28,732	7,518	10,271	23,895
Average inventory end of year ..... \$	9,401	14,324	38,115	9,659	14,123	33,346
Stock turnover (times per year) .....	3.5	4.1	4.1	3.0	4.1	4.0
Average net profits per store ..... \$	2,863	5,374	20,283	4,794	9,147	21,753
Number of working proprietors .....	-	-	-	161	121	75

PROFIT AND LOSS DATA  
(Items Expressed as Percentages of Net Sales)

Cross margin .....	28.9	27.8	31.2	26.2	26.7	28.4
Operating expenses:						
Employees' salaries and wages .....	12.6	11.2	12.2	4.1	6.0	7.4
Advertising .....	0.9	0.7	1.3	0.5	0.7	1.0
Store supplies .....	0.6	0.6	0.6	0.7	0.7	0.5
Bad debts .....	0.3	0.1	0.1	0.1	0.1	0.1
Taxes and insurance .....	0.8	0.7	0.6	0.6	0.6	0.5
Rent .....	2.6	2.8	3.0	2.4	2.1	1.9
Light, heat, and power .....	0.7	0.5	0.4	0.6	0.4	0.4
Repairs and maintenance .....	0.3	0.5	0.5	0.5	0.4	0.5
Depreciation .....	0.3	0.3	0.2	0.3	0.3	0.3
All other expenses .....	2.4	2.6	2.2	2.5	2.0	2.0
Total operating expenses .....	21.5	20.0	21.1	12.3	13.3	14.6
Net profits before income tax (a) .....	7.4	7.8	10.1	13.9	13.4	13.8

(a) For unincorporated stores this ratio includes proprietors' salaries.



## 2. WOMEN'S READY-TO-WEAR STORES

Stores classified as women's ready-to-wear deal principally in women's coats, suits, and dresses, with or without related lines of accessories. Specialty stores, such as hosiery shops, millinery stores, and furriers are not included in this study.

From the reports received, results were compiled from the usable returns of 584 unincorporated and 118 incorporated firms. In some size brackets, there were too few stores to warrant the publication of results.

### Trends by Size of Business (See Table 7, page 22)

With minor exceptions gross margin and net profit in unincorporated stores decreased in ratio as the volume of sales expanded. The decreased ratio of net profits, expressed in dollar value, actually represented greater net profits for the largest stores. Similar to most retail stores, the proportion spent on salaries increased progressively as the store size range became larger. This class also spent a greater proportion in advertising while occupancy expenses decreased in ratio with expanding volume of sales. The remaining expenses remained fairly even over the different size classes.

All size and occupancy groups increased the dollar value of stocks held at the end of the year as compared to those held at the beginning. The rate of turnover increased from 2.1 times per year in small stores to 7.3 times in the largest size bracket.

### Unincorporated and Incorporated Stores Compared (See Table 8, page 23)

Sufficient reports were received to allow presentation of results between these two types of organization for rented stores in the three largest size-of-business groups. Incorporated firms realized wider gross margins than unincorporated. While both gross margins and net profits of unincorporated stores decreased in ratio to net sales (as business volume expanded) only gross margin of incorporated stores followed a similar trend. Net profits rose from 5.0 per cent in the smallest size class shown to 6.6 per cent in the sales group of \$100,000 or over.

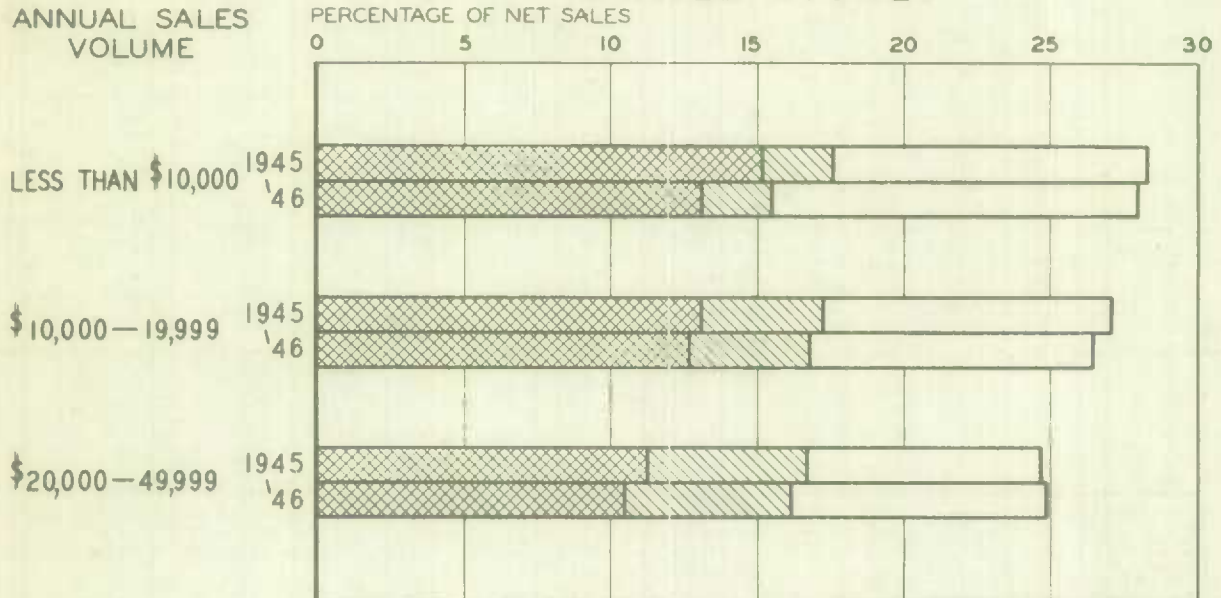
Incorporated businesses spent a greater proportion of net sales on advertising, taxes and insurance, and rent. Their salary ratio includes monies paid to all firm members, and is accordingly higher than that for unincorporated stores which does not include proprietors' salaries or withdrawals.



# OPERATING RESULTS OF WOMEN'S READY-TO-WEAR STORES

GROSS MARGIN = NET PROFIT + SALARIES + OTHER EXPENSES

## OWNED STORES



## RENTED STORES

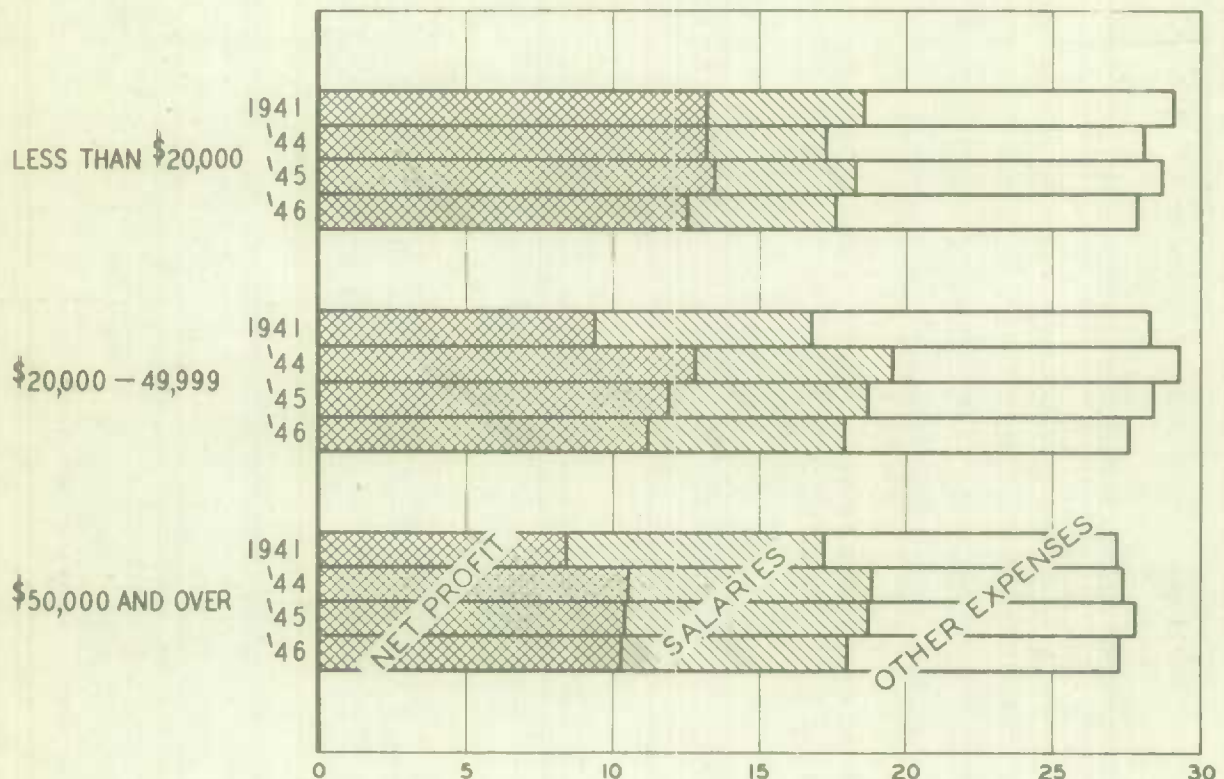


Table 7.--Women's Ready-to-Wear Stores - Operating Results of Unincorporated Retail Stores Classified  
According to Amount of Annual Sales and Occupancy Basis, Canada, 1946

Item	OWNED STORES					RENTED STORES				
	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and Over	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and Over
Number of stores reporting .....	15	25	36	9		37	105	228	99	25
Average net sales per store ..... \$	7,060	14,495	32,652	64,573		7,193	15,172	32,996	70,419	137,507
Average cost of goods sold, per store .....	5,086	10,661	24,523	48,990		5,138	10,963	23,879	50,725	101,774
Average inventory beginning of year .....	2,228	3,154	5,182	7,200	SAMPLE	2,303	3,276	5,201	9,118	12,938
Average inventory end of year ... \$	2,547	3,413	5,984	10,331		2,309	3,817	6,538	11,356	14,927
Stock turnover (times per year) ...	2.1	3.2	4.4	5.6		2.2	3.1	4.1	5.0	7.3
Average net profits per store ... \$	923	1,832	3,432	6,017		884	1,917	3,700	7,479	13,271
Number of working proprietors .....	15	26	41	10		42	118	251	111	33

PROFIT AND LOSS DATA  
(Items Expressed as Percentages of Net Sales)

Gross margin .....	28.0	26.5	24.9	24.1		28.6	27.7	27.6	28.0	26.0
Operating expenses:										
Employees' salaries and wages ...	2.4	4.1	5.7	6.7		4.0	5.2	6.7	7.8	7.6
Advertising .....	0.1	0.2	0.4	0.8		0.4	0.5	0.5	0.8	1.4
Store supplies .....	1.3	0.8	1.1	0.8		0.9	0.8	0.8	0.8	0.7
Bad debts .....	0.1	0.1	0.1	0.4		0.2	0.1	0.1	0.2	0.1
Taxes and insurance .....	2.6	1.8	1.2	0.9	TOO	1.0	0.7	0.7	0.7	0.4
Rent .....	-	-	-	-		5.6	3.5	3.0	2.6	2.0
Light, heat, and power .....	2.1	1.3	0.9	0.8		1.3	0.8	0.7	0.5	0.5
Repairs and maintenance .....	2.0	1.4	0.6	1.1		0.7	0.7	0.4	0.4	0.5
Depreciation .....	1.6	1.0	0.9	0.6		0.4	0.4	0.4	0.4	0.3
All other expenses .....	2.7	3.1	3.5	2.7	SMALL	1.8	2.4	3.1	3.2	2.8
Total operating expenses .....	14.9	13.8	14.4	14.8		16.3	15.1	16.4	17.4	16.3
Net profits before deduction of proprietors' salaries and income tax .....	13.1	12.7	10.5	9.3		12.3	12.6	11.2	10.6	9.7

Table E.--Women's Ready-to-Wear Stores - Operating Results of Incorporated and Unincorporated Rented Stores Compared, Canada, 1946

Item	Incorporated Stores			Unincorporated Stores		
	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and Over	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and Over
Number of stores reporting .....	29	38	43	228	99	25
Average net sales per store .....	41,371	76,263	175,208	32,996	70,419	137,507
Average cost of goods sold, per store ..	28,419	53,119	125,690	23,879	50,725	101,774
Average inventory beginning of year ...	5,917	11,735	19,234	5,201	9,118	12,938
Average inventory end of year .....	7,169	14,989	21,943	6,538	11,356	14,927
Stock turnover (times per year) .....	4.3	4.0	6.1	4.1	5.0	7.3
Average net profits per store .....	2,065	4,417	11,537	3,700	7,479	13,271
Number of working proprietors .....	-	-	-	251	111	33
PROFIT AND LOSS DATA (Items Expressed as Percentages of Net Sales)						
Gross margin .....	31.3	30.3	28.3	27.6	28.0	26.0
Operating expenses:						
Employees' salaries and wages .....	14.7	14.0	12.3	6.7	7.8	7.6
Advertising .....	0.7	1.0	1.4	0.5	0.8	1.4
Store supplies .....	0.9	0.9	0.8	0.8	0.8	0.7
Bad debts .....	0.1	0.1	0.2	0.1	0.2	0.1
Taxes and insurance .....	0.9	0.9	0.7	0.7	0.7	0.4
Rent .....	4.1	3.5	2.5	3.0	2.6	2.0
Light, heat, and power .....	0.7	0.6	0.4	0.7	0.5	0.5
Repairs and maintenance .....	0.5	0.5	0.5	0.4	0.4	0.5
Depreciation .....	0.4	0.4	0.4	0.4	0.4	0.3
All other expenses .....	3.3	2.6	2.5	3.1	3.2	2.8
Total operating expenses .....	26.3	24.5	21.7	16.4	17.4	16.3
Net profits before income tax (a) .....	5.0	5.8	6.6	11.2	10.6	9.7

(a) For unincorporated stores this ratio includes proprietors' salaries.



### 3. FAMILY CLOTHING STORES

These stores, as implied by the name, sell a general line of men's, women's, and children's clothing and furnishings. Other goods which may be sold are notions, piece goods, house furnishings etc., but these must not form a large part of the business.

Satisfactory reports were received from 469 unincorporated stores, from which average results were compiled for five size-of-business groups. Reports were likewise received from 50 incorporated firms which did not warrant a size distribution. Results for these are shown in total only, in Table 3, page 11).

#### Trends by Size of Business (Table 9, page 26)

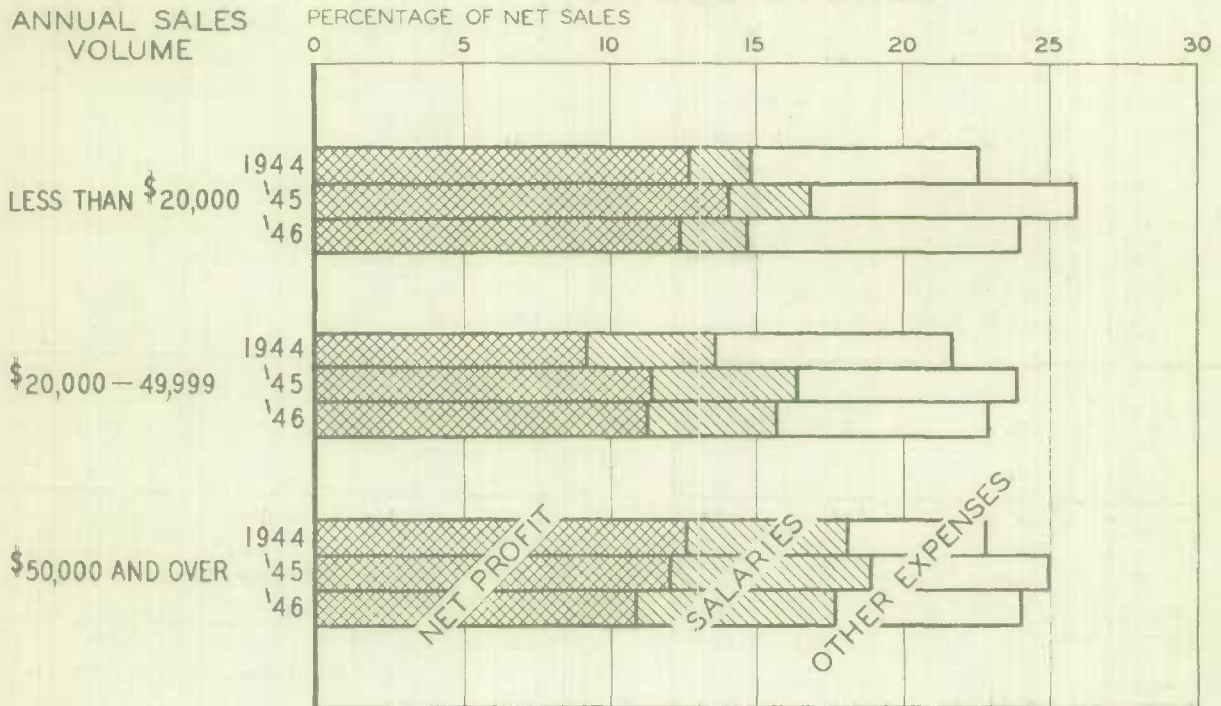
Cross margin ratios for the different size categories followed an irregular trend. Average net profit ratios decreased from 16.9 per cent in the smallest size store to 9.7 per cent in the largest. The large increase in ratio of total expense reflected the trend of salaries which ranged from 0.6 per cent to 7.8 per cent of net sales-increasing with business volume.

More stock was held at the end of the year than at the beginning in each size and occupancy class. The rate of stock turnover increased from 1.6 times in rented stores of the smallest sales volume group to 4.4 times in the largest group. Net profits expressed in dollar value, rose from \$1,093 in the smallest store to \$21,273 in the largest.

# OPERATING RESULTS OF FAMILY CLOTHING STORES

GROSS MARGIN = NET PROFIT + SALARIES + OTHER EXPENSES

## OWNED STORES



## RENTED STORES

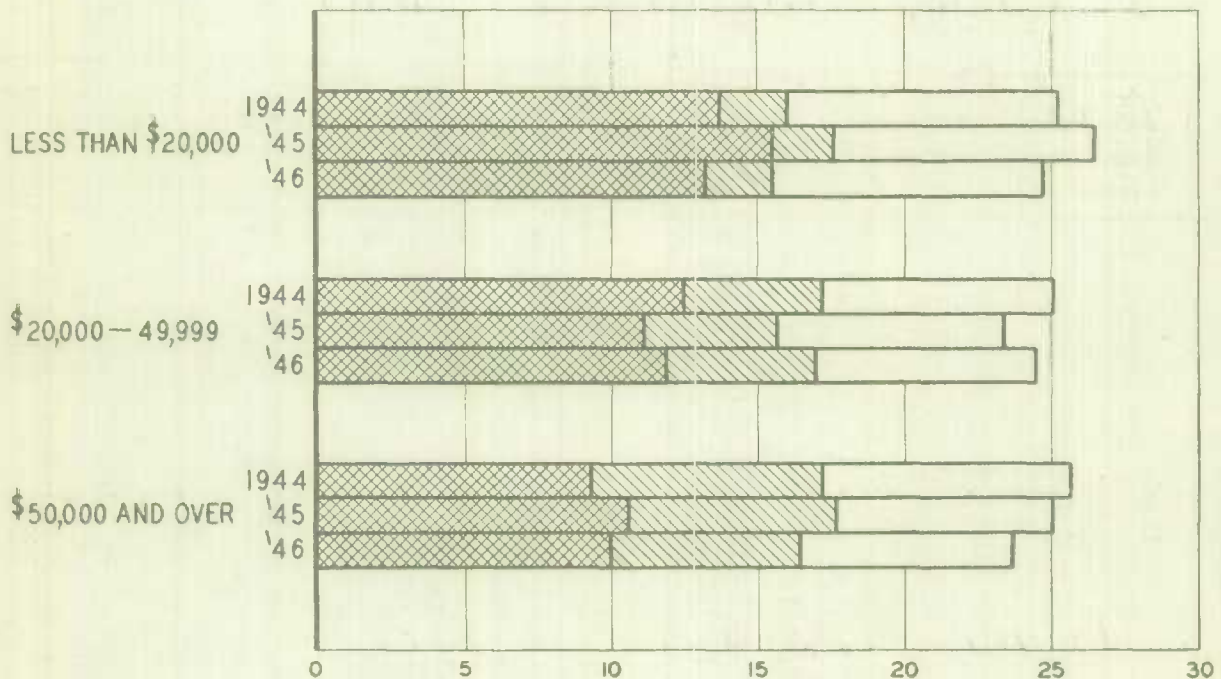


Table 9.--Family Clothing Stores - Operating Results of Unincorporated Retail Stores Classified  
According to Amount of Annual Sales and Occupancy Basis, Canada, 1946

Item	OWNED STORES					RENTED STORES				
	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and Over	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and Over
Number of stores reporting .....	16	27	68	33	19	17	52	122	80	35
Average net sales per store ..... \$	6,939	15,254	32,365	68,374	211,064	7,087	15,188	32,606	67,802	172,804
Average cost of goods sold, per store ..... \$	5,083	11,704	24,956	52,522	159,501	5,071	11,518	24,622	52,241	130,821
Average inventory beginning of year ..... \$	2,228	5,189	9,225	15,898	34,707	2,991	4,923	8,001	16,385	26,572
Average inventory end of year ... \$	2,485	5,881	11,012	18,962	46,118	3,248	5,531	9,559	19,731	32,592
Stock turnover (times per year) ...	2.2	2.1	2.5	3.0	3.9	1.6	2.2	2.8	2.9	4.4
Average net profits per store ... \$	1,177	1,712	3,655	8,355	21,273	1,093	1,950	3,867	7,002	16,809
Number of working proprietors .....	21	28	75	45	33	18	57	137	112	57

PROFIT AND LOSS DATA  
(Items Expressed as Percentages of Net Sales)

Gross margin .....	26.7	23.3	22.9	23.2	24.4	28.4	24.2	24.5	23.0	24.3
Operating expenses:										
Employees' salaries and wages ...	0.6	2.8	4.4	5.0	7.8	2.2	2.3	5.1	5.3	7.6
Advertising .....	0.1	0.2	0.3	0.4	0.9	0.2	0.3	0.3	0.5	0.8
Store supplies .....	1.6	0.9	0.7	0.6	0.5	1.1	0.7	0.9	0.7	0.7
Bad debts .....	0.2	(a)	0.3	0.1	0.1	0.1	0.3	0.1	0.1	0.3
Taxes and insurance .....	1.6	1.5	1.2	0.9	1.0	1.4	0.9	0.8	0.7	0.6
Rent .....	-	-	-	-	-	4.2	2.5	2.1	1.8	1.4
Light, heat, and power .....	1.6	1.2	0.9	0.6	0.5	1.5	1.0	0.7	0.6	0.4
Repairs and maintenance .....	0.8	1.4	1.0	0.7	0.4	0.3	0.5	0.4	0.4	0.5
Depreciation .....	1.2	1.0	0.7	0.5	0.7	0.2	0.3	0.3	0.3	0.3
All other expenses .....	2.1	3.1	2.1	2.2	2.4	1.8	2.5	1.9	2.3	2.0
Total operating expenses .....	9.8	12.1	11.6	11.0	14.3	13.0	11.3	12.6	12.7	14.6
Net profits before deduction of proprietors' salaries and income tax .....	16.9	11.2	11.3	12.2	10.1	15.4	12.9	11.9	10.3	9.7

(a) Less than 0.05 per cent.



#### 4. FAMILY SHOE STORES

Family shoe stores exclude specialized stores selling only ladies' or men's shoes. While other merchandise, such as luggage and other leather goods, may be sold, footwear forms the bulk of the business.

A total of 302 suitable reports were received from unincorporated stores. When classified by amount of annual net sales, there were too few in the owned class with sales of \$100,000 or over to permit publication of results. Average results of incorporated firms are shown for three size ranges in the rented occupancy class.

#### Trends by Size of Business (See Table 10, page 29)

In both owned and rented unincorporated stores, the ratio of gross margin to net sales declined from the smallest size class to the middle range, then followed an upward trend to the largest size group. Net profit ratios followed a similar trend although not as pronounced. Individual expense items which increased in proportion with volume of net sales were salaries and wages paid to employees, and advertising. Occupancy expense items declined in ratio with sales expansion while the other items showed little change.

Each size and occupancy group averaged a greater dollar value of stocks held at the end of the year than at the beginning. The rate of stock turnover ranged from 1.4 to 4.1 times per year, increasing consistently with volume of business.

The average dollar value of net profits per store rose from \$1,230 in stores with sales of less than \$10,000 to \$17,805 in stores whose sales were over \$100,000.

#### Unincorporated and Incorporated Stores Compared (See Table 11, page 30)

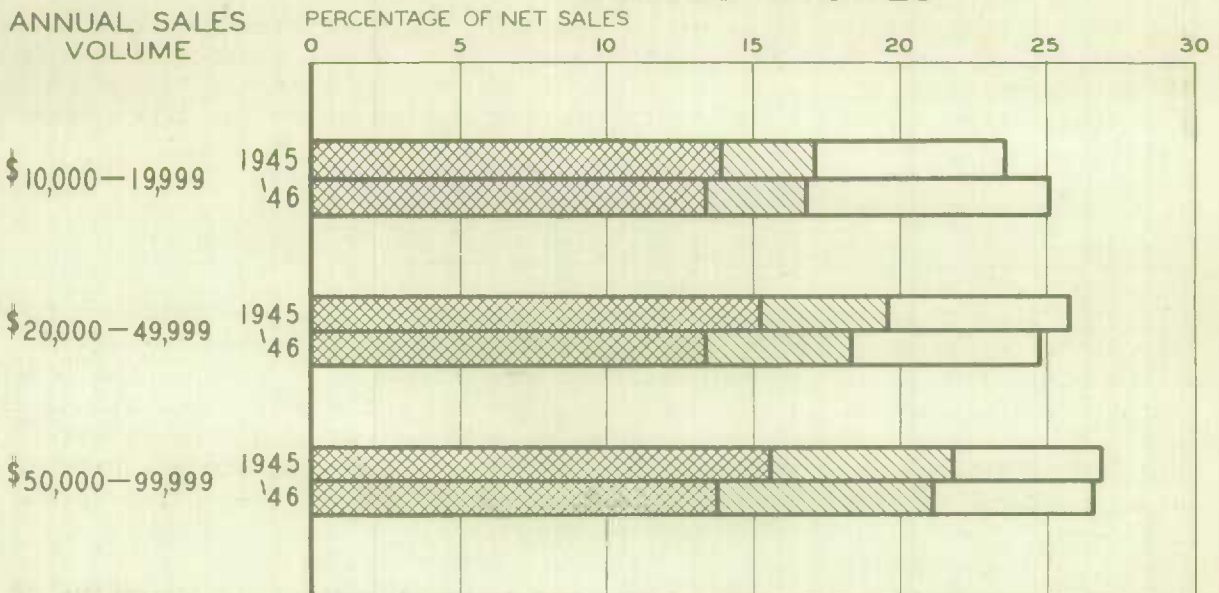
Aside from the differences between salaries and net profits, which have been explained earlier in the report, the main difference lies in gross margin. In each size class of rented stores shown, incorporated firms derived greater gross margins than unincorporated. They also paid a larger ratio for rent.

Gross margin ratios for the size ranges shown increased in both types of store as volume of business expanded. Net profit ratios of incorporated stores followed a similar trend while those for unincorporated stores were irregular. Both types carried larger dollar value inventories at the end of the year than at the beginning, with incorporated stores selling and replacing their stock more often than unincorporated stores.

# OPERATING RESULTS OF FAMILY SHOE STORES

GROSS MARGIN = NET PROFIT + SALARIES + OTHER EXPENSES

## OWNED STORES



## RENTED STORES

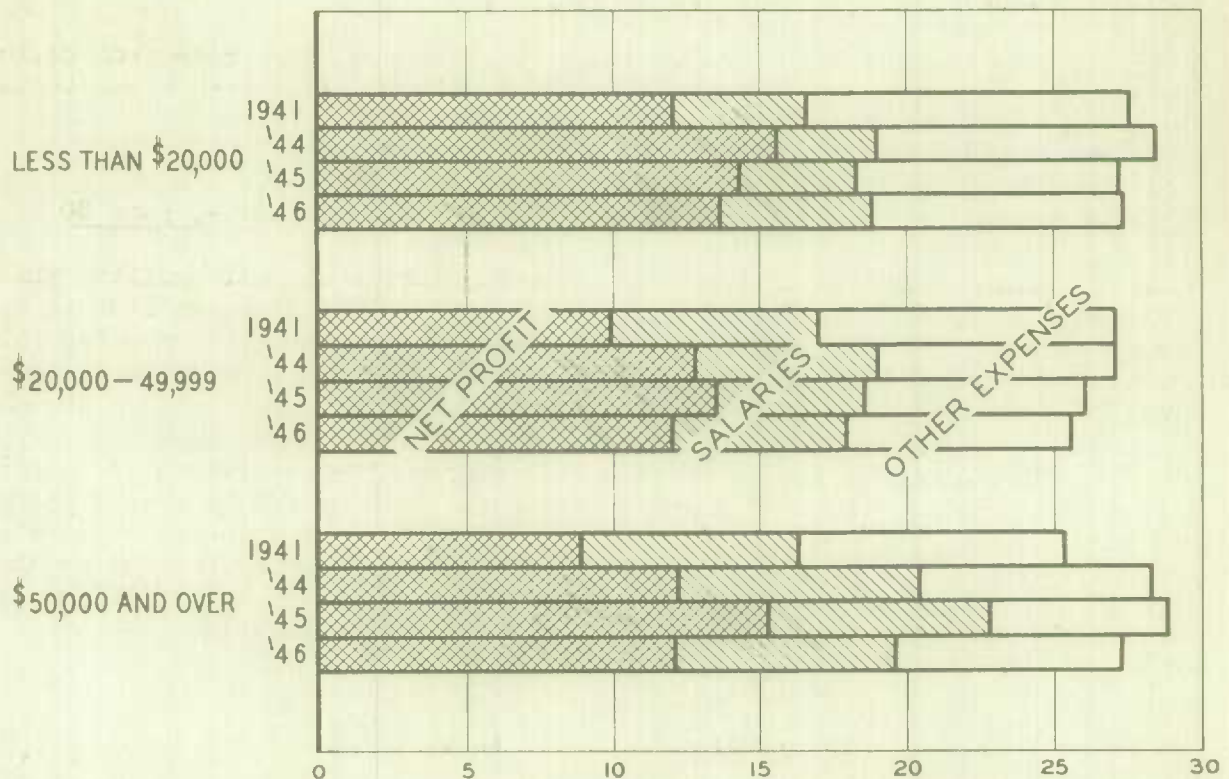


Table 10.--Family Shoe Stores - Operating Results of Unincorporated Retail Stores Classified According to Amount of Annual Sales and Occupancy Basis, Canada, 1946

Item	OWNED STORES					RENTED STORES				
	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and Over	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and Over
Number of stores reporting .....	9	13	30	15		11	38	104	61	17
Average net sales per store ..... \$	7,897	14,692	30,520	68,860		7,367	15,262	32,545	67,317	136,846
Average cost of goods sold, per store .....	\$ 5,617	\$ 11,001	\$ 22,969	\$ 50,525		\$ 5,044	\$ 11,169	\$ 24,212	\$ 49,685	\$ 96,759
Average inventory beginning of year .....	\$ 3,832	\$ 5,412	\$ 8,089	\$ 15,515	SAMPLE	\$ 3,298	\$ 5,978	\$ 8,785	\$ 13,017	\$ 21,226
Average inventory end of year ... \$	\$ 3,863	\$ 6,252	\$ 9,413	\$ 17,385		\$ 3,687	\$ 6,732	\$ 10,912	\$ 16,184	\$ 26,412
Stock turnover (times per year) ...	1.5	1.9	2.6	3.1		1.4	1.8	2.5	3.4	4.1
Average net profits per store ... \$	1,230	1,972	4,078	9,514		1,452	1,967	3,904	7,807	17,805
Number of working proprietors .....	9	13	36	18		12	43	119	80	23

PROFIT AND LOSS DATA  
(Items Expressed as Percentages of Net Sales)

Gross margin .....	28.9	25.1	24.8	26.6		31.5	26.8	23.6	26.2	29.3
Operating expenses:										
Employees' salaries and wages ...	1.6	3.4	4.9	7.3		1.9	5.5	5.9	7.1	8.3
Advertising .....	0.5	0.8	0.6	0.7		0.3	0.4	0.6	0.8	1.2
Store supplies .....	0.9	0.5	0.5	0.5		0.4	0.6	0.6	0.6	0.9
Bad debts .....	0.5	0.1	0.1	(a)		0.1	0.2	0.1	(a)	(a)
Taxes and insurance .....	2.8	1.6	1.3	1.1	TOO	0.9	0.8	0.7	0.7	0.5
Rent .....	-	-	-	-		4.4	3.3	2.5	2.6	2.3
Light, heat, and power .....	2.3	1.2	0.7	0.5		1.7	1.0	0.6	0.4	0.4
Repairs and maintenance .....	1.8	0.5	0.6	0.4		0.4	0.3	0.5	0.4	0.6
Depreciation .....	1.7	1.3	0.6	0.6		0.2	0.2	0.3	0.3	0.4
All other expenses .....	1.2	2.3	2.1	1.7		1.5	1.6	1.8	1.7	1.7
Total operating expenses .....	13.3	11.7	11.4	12.8	SMALL	11.8	13.9	13.6	14.6	16.3
Net profits before deduction of proprietors' salaries and income tax .....	15.6	13.4	13.4	13.8		19.7	12.9	12.0	11.6	13.0

(a) Less than 0.05 per cent.



Table 11.--Family Shoe Stores - Operating Results of Incorporated and  
Unincorporated Rented Stores Compared, Canada, 1946

Item	Incorporated Stores			Unincorporated Stores		
	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and Over	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and Over
Number of stores reporting .....	8	17	11	104	61	17
Average net sales per store ..... \$	38,228	69,758	179,932	32,545	67,317	136,846
Average cost of goods sold, per store . \$	28,006	49,347	118,665	24,212	49,665	96,759
Average inventory beginning of year ... \$	6,839	12,909	22,298	8,785	13,017	21,226
Average inventory end of year ..... \$	10,503	17,395	27,025	10,912	16,184	26,412
Stock turnover (times per year) .....	3.2	3.3	4.8	2.5	3.4	4.1
Average net profits per store ..... \$	2,078	4,825	16,953	3,903	7,807	17,805
Number of working proprietors .....	-	-	-	119	80	23

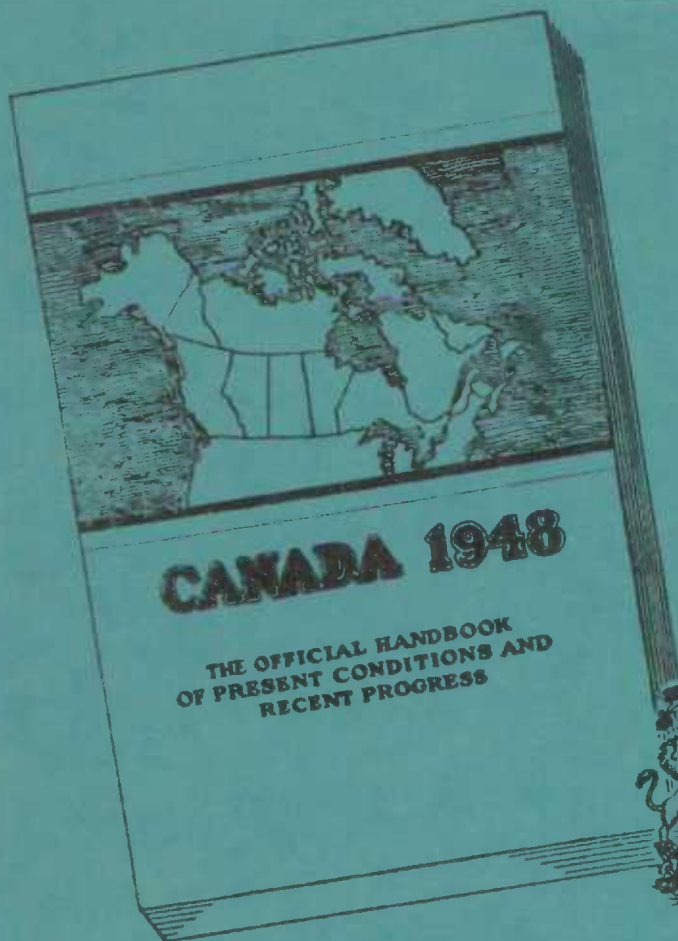
PROFIT AND LOSS DATA  
(Items Expressed as Percentages of Net Sales)

Gross margin .....	26.7	29.3	34.0	25.6	26.2	29.3
Operating expenses:						
Employees' salaries and wages .....	13.6	14.2	14.8	5.9	7.1	8.3
Advertising .....	0.7	1.1	1.8	0.6	0.8	1.2
Store supplies .....	0.7	0.6	0.5	0.6	0.6	0.9
Bad debts .....	(a)	(a)	(a)	0.1	(a)	(a)
Taxes and insurance .....	0.8	0.6	0.4	0.7	0.7	0.5
Rent .....	3.3	3.1	4.4	2.5	2.6	2.3
Light, heat, and power .....	0.5	0.5	0.4	0.6	0.4	0.4
Repairs and maintenance .....	0.2	0.3	0.3	0.5	0.4	0.6
Depreciation .....	0.2	0.3	0.2	0.3	0.3	0.4
All other expenses .....	1.3	1.7	1.8	1.8	1.7	1.7
Total operating expenses .....	21.3	22.4	24.6	13.6	14.6	16.3
Net profit before income tax (b) .....	5.4	6.9	9.4	12.0	11.6	13.0

(a) Less than 0.05 per cent.

(b) For unincorporated stores this ratio includes proprietors' salaries.





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