

658.87

C16M

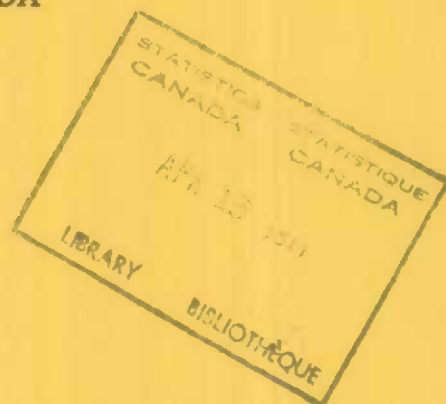
D

1950

No. 3.

C.3

GOVERNMENT OF CANADA

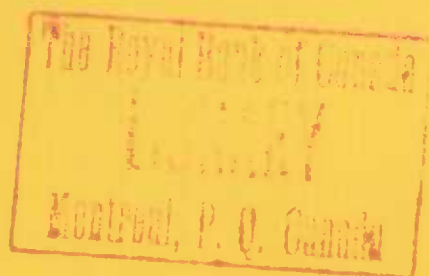


OPERATING RESULTS AND FINANCIAL STRUCTURE  
RETAIL CLOTHING STORES

1950



658.87



C16n  
D  
1950, no. 3

(5 Nov '51)

Canada

DOMINION BUREAU OF STATISTICS — DEPARTMENT OF TRADE AND COMMERCE

## OPERATING RESULTS AND FINANCIAL STRUCTURE RETAIL CLOTHING STORES — 1950

Published by Authority of the Rt. Hon. C. D. Howe  
*Minister of Trade and Commerce*

Prepared in the Merchandising and Services Section  
Industry and Merchandising Division  
Dominion Bureau of Statistics  
Ottawa

## NOTICE

The Industry and Merchandising Division of the Bureau of Statistics collects and compiles figures on (a) the primary industries in Canada — mining, forestry, and fishing; (b) manufacturing; (c) construction; and (d) merchandising and services.

For the purpose of annual compilation and publication, reports on merchandising and services have been classified as follows:

### Part I — Wholesale Statistics

- A Wholesale Trade, 25¢.
- \* B Operating Results of Food Wholesalers, 25¢.
- \* C Operating Results of Dry Goods, Piece Goods, and Footwear Wholesalers, 25¢.
- \* D Operating Results of Miscellaneous Wholesalers (automotive equipment, drugs, hardware, plumbing and heating equipment), 25¢.

### Part II — Retail Statistics

- E General Review, 25¢.
- F Retail Trade, 50¢.
- G Retail Chain Stores, 50¢.
- \* H Operating Results of Chain Food Stores, 25¢.
- \* I Operating Results of Chain Clothing Stores, 25¢.
- \* J Operating Results of Miscellaneous Chain Stores (variety, drug, furniture), 25¢.
- K Operating Results of Retail Food Stores, 25¢.
- L Operating Results of Retail Clothing Stores, 25¢.
- M Operating Results of Retail Hardware, Furniture, Appliance, and Radio Stores, 25¢.
- N Operating Results of Filling Stations and Garages, 25¢.
- O Operating Results of Miscellaneous Retail Stores, 25¢.
- P Retail Consumer Credit, 25¢.

### Part III — Services and Special Fields

- Q Laundries, Cleaners and Dyers, 25¢.
- R Motion Picture Theatres, Exhibitors, and Distributors, 25¢.
- S Hotels, 25¢.
- T Sales Financing, 25¢.
- U Farm Implement and Equipment Sales, 25¢.
- V New Motor Vehicle Sales and Motor Vehicle Financing, 25¢.

The reports are punched to permit of filing in a ring binder.

- \* Biennial reports — not issued for 1950.

## CONTENTS

	Page
Definitions .....	L-4
<b>Operating Results and Financial Structure of Retail Clothing Stores 1950</b>	
Introduction.....	L-7
Comparison of Main Items by Trades with charts .....	L-8
<b>Summaries, Charts and Tables by Trades:</b>	
Men's Clothing Stores .....	L-13
Women's Clothing Stores .....	L-18
Family Clothing Stores .....	L-22
Family Shoe Stores .....	L-26

## DEFINITIONS

### Profit And Loss

**Net sales** — represent the dollar 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 profit** — 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 (except delivery)** — paid to employees before deduction of income taxes or unemployment insurance. Proprietors' salaries or withdrawals are included in Net Profit (in independent store operations).

**Taxes and Insurance** — business, property and water taxes, 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.

**Delivery expense** — includes salaries paid to delivery men, truck repairs and maintenance, depreciation, licences and insurance on delivery equipment and supplies used in connection with delivery (gas, oil, etc.).

**Repairs and maintenance** — incurred for the purposes of keeping fixed store assets operating efficiently (excludes capital expenditure).

**Depreciation** — allowances to cover decreases in the value of fixed store assets.

**Store supplies** — used in the business during the year — wrapping paper, office supplies, etc.

**Advertising**

**Loss on bad debts** — during the year — amount written off less old debts recovered.

**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 before income tax deductions.

**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



## DEFINITIONS

### Balance Sheet

#### Assets

**Cash on hand** — and in the bank represents the amount of cash at the end of the year.

**Net accounts receivable** — are all notes and accounts owing to the business at the end of the year less any reserve for doubtful accounts.

**Merchandise inventory** — represents the cost value of merchandise on hand for resale but does not include store supplies on hand.

**Other current assets** — includes assets which may be converted into cash, if necessary, within a reasonably short time, such as prepaid insurance, office and store supplies, Dominion of Canada Bonds.

**Fixed assets (net)** — is the book value of land, buildings, furniture, fixtures and equipment less any reserves for depreciation. Separate figures are shown for assets used in the business and those not used in the business.

**Other assets** — Investments of a permanent nature not easily converted into cash and intangibles such as goodwill.

#### Liabilities And Net Worth

**Current liabilities** — are obligations which must be paid in the near future and represent accounts receivable or any item that may be considered as a direct lien against current assets.

**Fixed liabilities** — mortgages secured by fixed assets and separated, as are fixed assets, between those used and not used in business.

**Other liabilities** — long term notes, accrued expenses such as taxes or rent due but not yet paid, and prepaid or deferred income.

**Capital stock** — applicable to incorporated companies, represents the investment account of the stockholders in the capital shares of the corporation and does not exceed the amount authorized.

**Surplus** — applicable to corporations, includes earned surplus from operating profits, capital surplus from premiums received on the sale of capital stock, and surplus reserves.

**Net worth** — is the difference between total assets and total liabilities. This is composed of stock and surplus in the case of incorporated companies and in unincorporated businesses represents the proprietor's or partner's equity including undivided profits.





# OPERATING RESULTS AND FINANCIAL STRUCTURE RETAIL CLOTHING STORES — 1950

## INTRODUCTION

A yardstick of performance is a useful gauge in assessing the success of endeavour. When that yardstick takes the form of a statistical summary of the average operating experience of retail stores, it may not constitute an ideal pattern of operations which all retailers should set as a goal, but it does represent a reasonably useful standard by which the retailer may ascertain whether or not his operations are being conducted as effectively, economically and profitably as those of the trade in general. To the merchant whose profits are below average, the operating results summaries may help to disclose the reasons which account for this situation. Reflection and consideration on the part of the merchant make it possible to decide whether his operating methods should be altered or whether the situation is normal in the light of conditions peculiar to the location of his business.

There is growing evidence that independent retail merchants are making more advantageous use of the results shown in the biennial operating results bulletins issued by the Bureau of Statistics. Many accounting firms whose clientele includes retail merchants have shown an interest in these series.

A number of trade papers and business periodicals have reproduced and interpreted the results of previous studies with the object of illustrating to retail merchants the manner in which operating results can be used as a tool in store management. This is a practice the Bureau is pleased to encourage, since it meets with one of the most important objects in maintaining this series, namely the promotion of improved merchandising on the part of retailers.

Statistics derived from other sources have shown that the mortality rate of business is much higher among new entrants into the field of retailing than among those established for five years or more.

There are many reasons for this, some of them associated with the natural incompetence of the initiate retailer which could not be completely overcome by means of operating statement analysis. It seems reasonable to suppose, however, that failure in many cases is the result of inadequate knowledge on the part of new proprietors of the true fiscal requirements involved in operating a business and of the proper allocation of costs. Where capital is

limited, as is often the case in a newly-established store, it would seem that most careful attention should be given to maintenance of proper records and provision made to check against some such standard performance as these publications provide.

This report deals with independent retail clothing stores, results for which are shown for unincorporated and incorporated stores separately. The trades covered are:

1. Men's clothing stores
2. Women's clothing stores
3. Family clothing stores
4. Family shoe stores

There are analyses of:

1. Profit and loss statements
2. Balance sheet summaries

Profit and loss data are shown for owned and rented stores separately, and for various sales-size classes.

Balance sheet data, which was added in 1948, is continued in this 1950 study. This information is presented by size and occupancy groups for stores with \$20,000 or more annual net sales. Where possible, a further breakdown has been made between businesses in operation less than 10 years and those in business 10 years or more. An important change from the 1948 data is the segregation of fixed assets and fixed liabilities between those used in the business and those not used in the business. This makes possible a better relationship between fixed assets and the sales produced by those assets than was possible when all fixed assets of the proprietor were reported as one item.

The same basic sample of firms is used in this series although the sample varies slightly in each survey year. There is, however, a high degree of continuity among the respondents and it is believed that no serious distortion arises out of any change in responding firms. For the most part, successive surveys have provided an increasing response rate, an encouraging feature from the standpoint of accuracy and, it is believed, an indication of the growing realization on the part of merchants of the value of these statistics.

## Comparison of Main Items by Trades

A comparison of certain items between the four clothing trades is presented in this section. All information has been tabulated by form of organization, that is, as between unincorporated and incorporated businesses. In the incorporated class, all executive

salaries are included with the salary and wage expense item so that the net profit shown includes only income tax. In addition to a trade comparison, results are shown for previous years for which information is available.

**Average Gross and Net Profits of Unincorporated Retail Clothing Stores  
1941, 1944-1946, 1948, 1950**

Year	Men's clothing		Women's clothing		Family clothing		Shoe stores	
	Gross profit	Net profit	Gross profit	Net profit	Gross profit	Net profit	Gross profit	Net profit
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
1948 .....	25.9	11.9	25.8	10.4	23.4	10.0	26.6	11.5
1950 .....	26.8	10.3	26.8	7.7	24.4	8.7	27.4	10.6

Note: Net profit is before deduction of proprietors' salaries and income tax.

**Average Gross and Net Profits of Incorporated Clothing Stores  
1945, 1946, 1948 and 1950**

Year	Men's clothing		Women's clothing		Family clothing		Shoe stores	
	Gross profit	Net profit	Gross profit	Net profit	Gross profit	Net profit	Gross profit	Net profit
1945 .....	31.5	11.0	30.5	7.3	29.1	7.8	31.9	9.5
1946 .....	30.5	9.8	29.2	6.2	29.3	8.3	31.8	8.2
1948 .....	28.6	6.4	28.5	5.1	28.8	6.0	32.1	7.6
1950 .....	29.8	4.8	29.0	2.1	29.6	3.6	32.0	4.8

Note: Net profit includes income tax.

**Unincorporated** stores operated on gross profits ranging from 27.4% of net sales to 24.4% in 1950. Family clothing stores have consistently operated on smaller gross profits (in ratio to sales) than the other three trades. The other three trades were quite similar in respect of gross profit percentages, ranging from 26.8% to 27.4% in 1950. All four trades operated on gross profits slightly higher in 1950 than in 1948. In all cases net profit ratios were smaller in 1950 than in previous years.

**Incorporated** stores showed higher ratios of gross profit than did unincorporated. In this type, women's clothing stores were slightly below the other trades at 29.0% of net sales in 1950. Shoe stores operated on the highest ratio of gross profit in 1950 at 32.0% of net sales. Similar to unincorporated firms, net profits were lower in relationship to sales in 1950 than in the previous years shown. Net profits of the clothing trades ranged from 2.1% of sales in women's clothing stores to 4.8% of net sales for incorporated shoe stores and men's clothing stores.

Stock Turnover Rate<sup>1</sup> of Clothing Stores 1941, 1944-1946, 1948, 1950

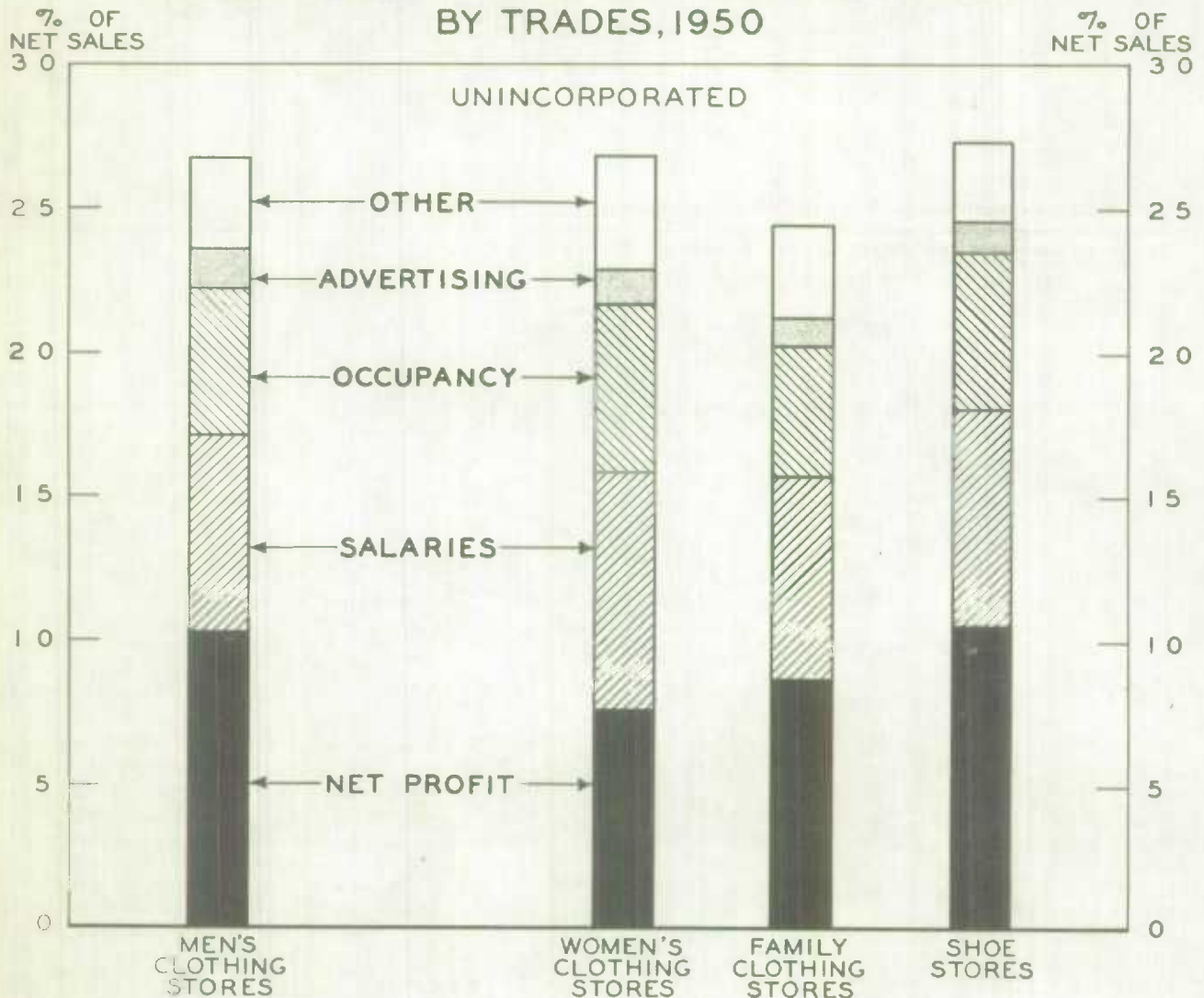
Year	Unincorporated				Incorporated			
	Men's clothing	Women's clothing	Family clothing	Shoes	Men's clothing	Women's clothing	Family clothing	Shoes
1941 .....	2.1	4.1		2.1		(not available)		
1944 .....	2.7	4.6	3.0	2.9				
1945 .....	3.5	4.8	3.1	3.0	4.1	5.7	3.7	4.2
1946 .....	3.6	4.6	3.2	2.9	4.1	5.2	4.0	4.0
1948 .....	2.7	4.6	2.7	2.2	2.9	6.1	3.3	2.6
1950 .....	2.1	3.5	2.2	1.9	2.4	4.0	2.7	2.1

1. Times per year.

In both unincorporated and incorporated stores, stock was sold and replaced more rapidly in women's clothing stores, at 3.5 times and 4.0 times a year respectively than in the other clothing trades. The turnover rate was slowest in shoe stores. Incorporated stores have maintained a faster stock turnover

rate in all four trades for the years for which figures are available than have unincorporated stores. In all trades the rate has been slackening as merchandise has become more plentiful and the 1950 figures are the lowest of any year covered in this series.

COMPARISON OF PROFIT AND LOSS ITEMS BY TRADES, 1950

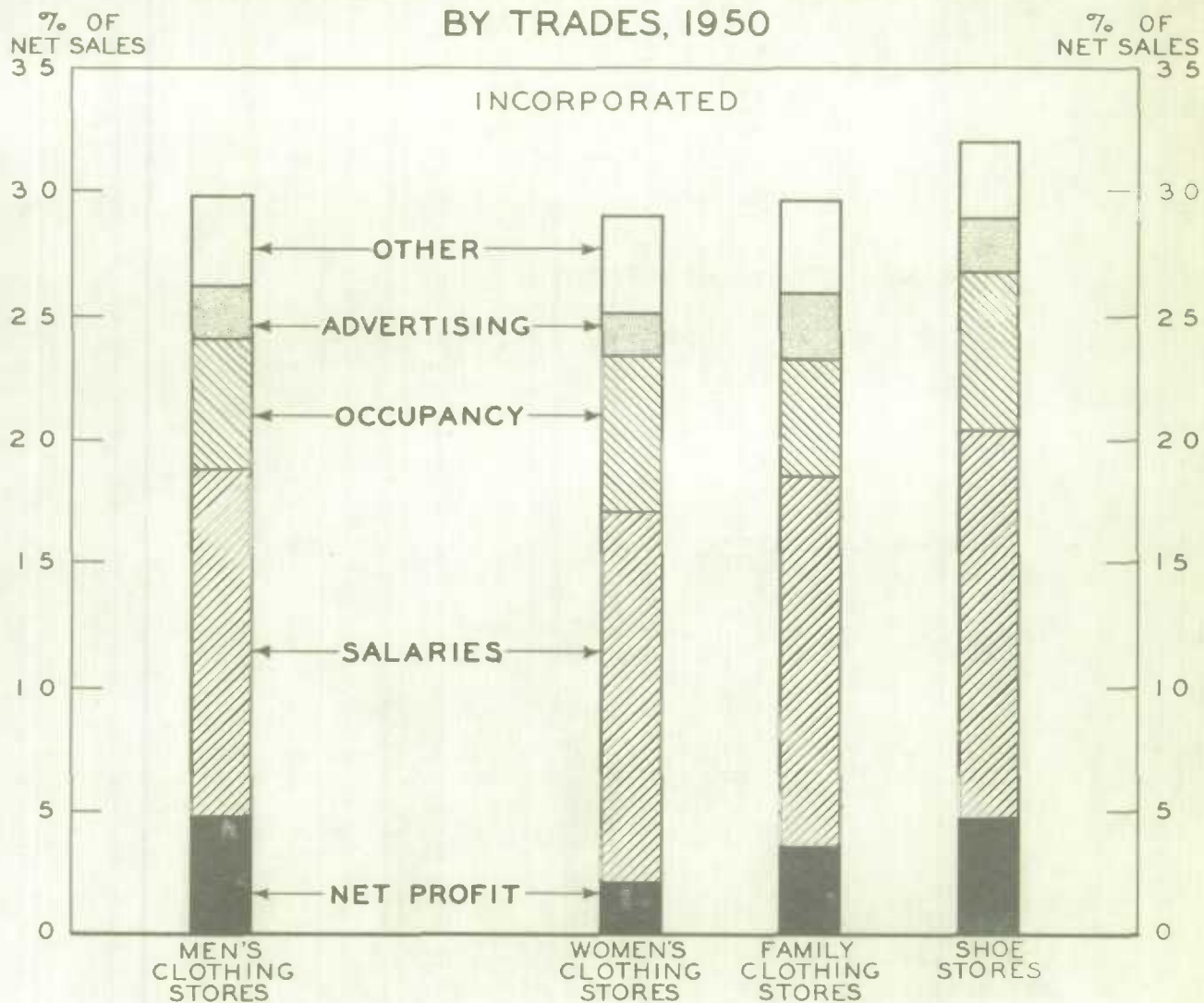




### Average Operating Expenses of Clothing Stores, 1950

Item	Unincorporated				Incorporated			
	Men's clothing	Women's clothing	Family clothing	Shoes	Men's clothing	Women's clothing	Family clothing	Shoes
	(Items expressed as percentages of net sales)							
Salaries .....	6.89	8.19	7.08	7.60	13.96	14.85	14.89	15.62
Occupancy .....	5.12	5.87	4.54	5.36	5.33	6.43	4.79	6.43
Store supplies .....	.60	.62	.50	.53	.57	.67	.75	.63
Advertising .....	1.34	1.11	1.01	1.10	2.15	1.71	2.69	2.07
All other .....	2.56	3.31	2.60	2.21	2.99	3.20	2.96	2.43
Total .....	16.51	19.10	15.73	16.80	25.00	26.86	26.08	27.18

### COMPARISON OF PROFIT AND LOSS ITEMS BY TRADES, 1950



The larger ratios of salaries in the incorporated stores is caused by the inclusion of all executive salaries as compared to the unincorporated type where proprietors' salaries are not part of operating expenses. Incorporated firms paid slightly more for occupancy than did the respective trades in the unincorporated class. Women's clothing stores and shoe stores spent more of their sales dollar on occupancy than did the other trades. Incorporated firms also spent more proportionately on advertising than did

the proprietors of unincorporated stores. Incorporated family clothing stores registered the highest advertising ratio at 2.69% of net sales and unincorporated family clothing stores the lowest at 1.01% of net sales. In the unincorporated group, women's clothing had the greatest total expense in ratio to sales, 19.10%, and family clothing stores the lowest at 15.73%. Incorporated stores showed total 1950 expenses ranging from 25.00% of net sales for men's clothing stores to 27.18% for family shoe stores.

**Financial Ratios of Clothing Stores as at December 31, 1950**  
Unincorporated

Ratio	Owned				Rented			
	Men's clothing	Women's clothing	Family clothing	Shoes	Men's clothing	Women's clothing	Family clothing	Shoes
Current assets to current liabilities.....	2.87	2.65	3.12	3.02	2.67	2.19	2.75	2.81
Current assets to fixed assets.....	2.18	1.27	2.46	2.47	7.33	5.98	8.25	11.57
Net quick assets to net worth.....	.63	.49	.70	.69	.83	.79	.91	.91
Sales to fixed assets used in the business.....	4.34	3.71	5.31	6.01	29.63	31.59	47.35	43.93
Liabilities to net worth.....	.48	.46	.50	.52	.58	.79	.65	.56

Incorporated

Ratio	Rented			
	Men's Clothing	Women's Clothing	Family Clothing	Shoes
Current assets to current liabilities.....	2.82	2.38	2.82	2.59
Current assets to fixed assets.....	14.75	7.72	10.46	10.06
Net quick assets to net worth.....	.84	.78	.89	.88
Sales to fixed assets used in the business.....	33.01	23.91	25.83	30.27
Liabilities to net worth.....	.55	.65	.57	.70

All trades reported current assets amounting to more than twice the amount of current liabilities at the end of 1950. The ratio was highest in unincorporated owned family clothing stores at 3.12 and lowest in unincorporated rented women's clothing stores at 2.19. Over 50% of net worth was in the form of current assets free from current obligation for all except one occupancy segment of unincorporated and incorporated stores.

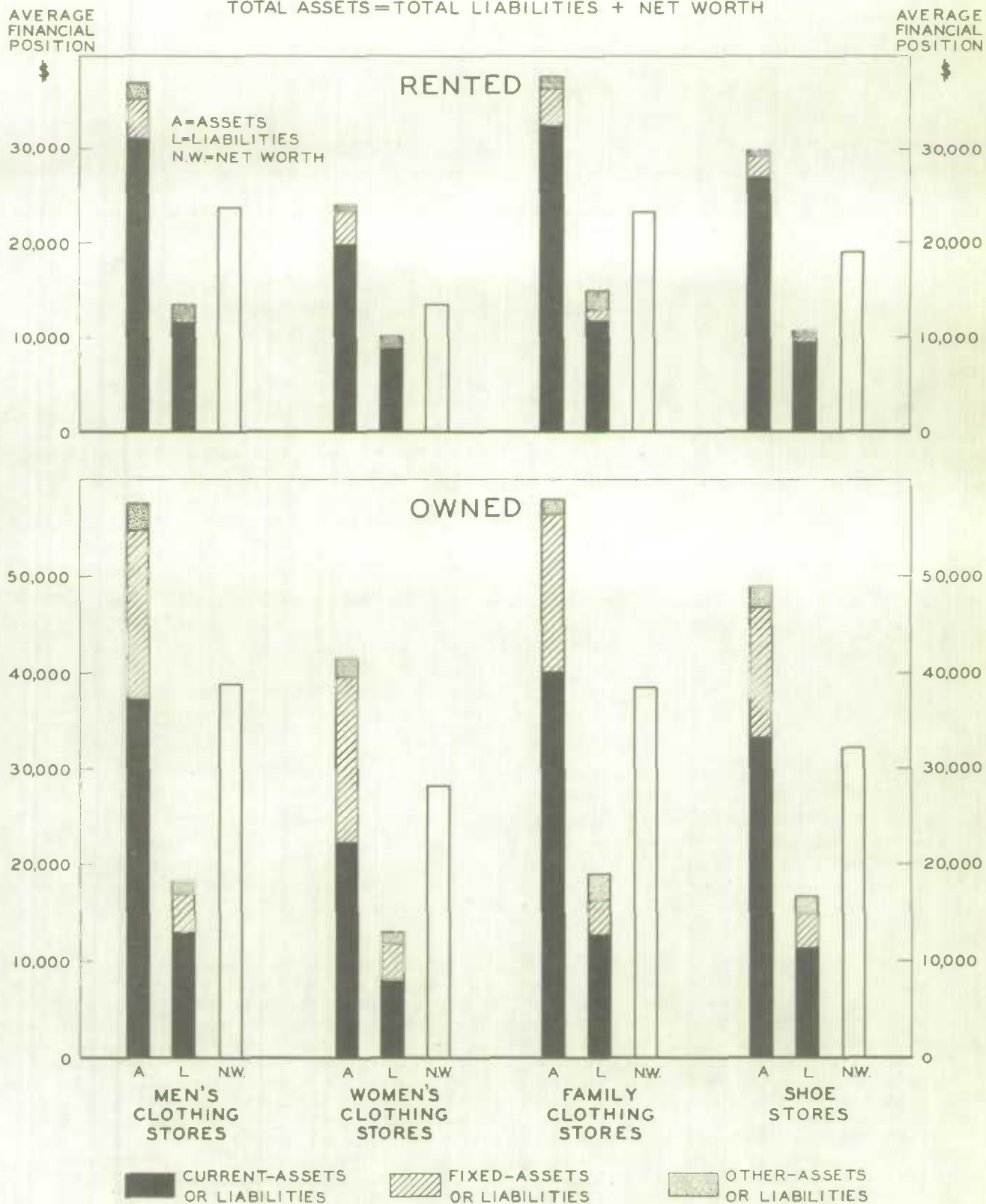
In the unincorporated owned section, shoe stores utilized fixed assets to the best advantage in producing sales with a ratio of \$6.01 sales for every \$1.00 of fixed assets used in the business. Family

clothing stores held the highest ratio in the unincorporated rented segment at 47.35. Here, fixed assets used in the business comprise furniture, fixtures and equipment. The absence of real estate produced a higher ratio than in the owned category. In the incorporated field, for which only results of rented stores are shown, men's clothing stores reported more sales per dollar of store fixed assets than the other trades. The four clothing trades were very uniform in the ratio of liabilities to net worth. Over the occupancy classes of unincorporated and incorporated stores, liabilities formed from 46% to 79% of net worth.

## COMPARISON OF FINANCIAL STRUCTURE BY TRADES

AVERAGE FINANCIAL POSITION DECEMBER 31, 1950

TOTAL ASSETS = TOTAL LIABILITIES + NET WORTH





## Men's Clothing Stores

A general line of men's clothing and furnishings stores are included in this classification. Specialized stores such as hat shops and custom tailors are not included.

Profit and loss information suitable for tabulation was received from 531 stores. The results are shown for owned and rented stores by five sales-size classes. Incorporated firms have been tabulated separately from unincorporated stores with 147 such reports used to obtain the results. Operating losses were reported by 24 of these 147 firms. In this type, there were only sufficient reports in the three largest

sizes of rented stores and in the owned class with sales of \$100,000 and over to permit publication of results.

Balance Sheet data were tabulated for stores with sales of \$20,000 and over. For the three size groups, 381 returns from unincorporated stores were used. There were sufficient rented stores to permit a further breakdown by age of business in all three size classes. Results for owned stores are not shown by age. Incorporated firms submitted 134 satisfactory returns on the balance sheet, results for which are shown for three sizes of rented stores and for owned stores with sales of \$100,000 and over.

## Operating Results

Greater gross profits, in relation to sales, were obtained in 1950 than in 1948 in both unincorporated and in incorporated stores.

However, 1950 operating expenses more than offset this gain in margin to produce smaller percentages of net profit — from 11.91% of sales in 1948 to 10.26% in 1950 for unincorporated stores and from 6.45% to 4.80% for incorporated firms.

All occupancy and size segments showed greater dollar volume of stock on hand at the end of the year than at the beginning.

Stock was sold and replaced more often in the larger than in the smaller stores, ranging from less than once a year to 2.59 times in unincorporated stores and from 1.99 times to 2.60 times a year in the incorporated type of business.

The average ratio of current assets to current liabilities exceeded 2 to 1 in three of the four type and occupancy sections of this trade.

The lessee proprietor with ten or more years business experience was generally in a better financial position than the merchant with less than 10 years operations. The older business recorded higher ratios of current assets to current liabilities and showed higher average net worth.

Financial Ratios of Men's Clothing Stores as at December 31, 1950

Ratio	Unincorporated		Incorporated	
	Owned	Rented	Owned	Rented
Current assets to current liabilities .....	2.87	2.67	1.80	2.82
Current assets to fixed assets .....	2.18	7.33	1.94	14.75
Net quick assets to net worth .....	.63	.83	.47	.84
Sales to fixed assets used in the business .....	4.34	29.63	3.75	33.01
Liabilities to Net Worth .....	.48	.58	.87	.55

## Operating Results of Men's Clothing Stores 1948 and 1950 Compared

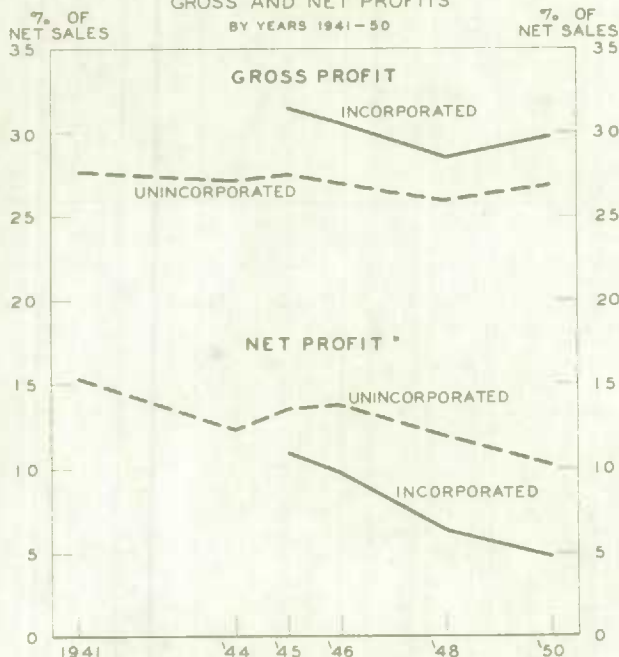
Item	Unincorporated		Incorporated	
	1948	1950	1948	1950
Number of stores reporting .....	345	531	103	147
Average net sales .....\$	68,623	58,245	157,631	138,938
Profit and Loss Data (Percentage of net sales)				
Gross profit .....	25.91	26.77	28.62	29.80
Operating expenses:				
Employees' salaries .....	6.19	6.89	12.66	13.96
Occupancy .....	3.92	5.12	4.64	5.33
Store supplies .....	.50	.60	.57	.57
Advertising .....	1.01	1.34	1.69	2.15
All other expenses .....	2.38	2.56	2.61	2.99
Total operating expenses .....	14.00	16.51	22.17	25.00
Net profit before deduction of income tax <sup>1</sup> .....	11.91	10.26	6.45	4.80

1. For unincorporated stores this ratio also includes proprietors' salaries.

## MEN'S CLOTHING STORES

## GROSS AND NET PROFITS

BY YEARS 1941-50

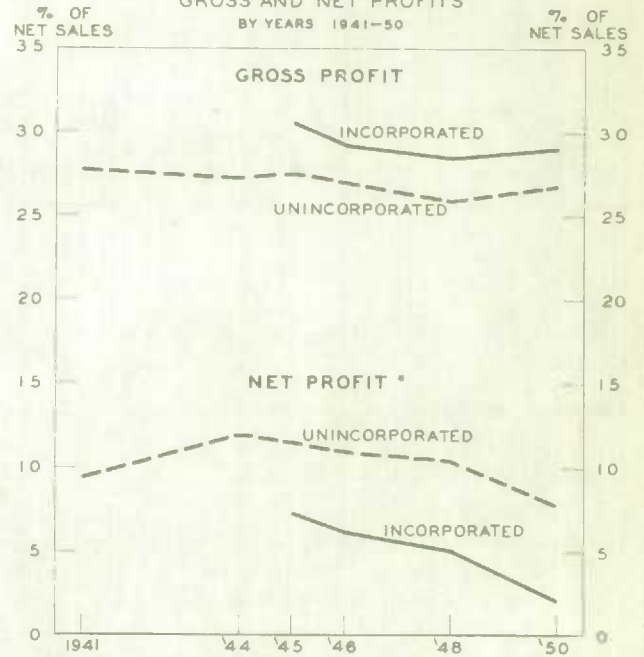


\* INCLUDES INCOME TAX AND UNINCORPORATED PROPRIETORS' SALARIES

## WOMEN'S CLOTHING STORES

## GROSS AND NET PROFITS

BY YEARS 1941-50



\* INCLUDES INCOME TAX AND UNINCORPORATED PROPRIETORS' SALARIES

TABLE 1. Men's Clothing Stores - Operating Results of Unincorporated Stores by Sales Volume and Occupancy Basis, 1950

Item	Owned stores with annual net sales of					Rented stores with annual net sales of				
	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.....	7	15	63	33	20	13	47	157	124	52
Average net sales per store..... \$	7,171	15,566	32,688	71,885	157,362	7,334	15,694	33,934	68,969	160,627
Average cost of goods sold..... \$	5,070	11,302	24,763	52,220	115,303	5,155	11,546	24,826	50,907	116,015
Average beginning inventory..... \$	6,726	5,951	13,305	25,797	52,861	4,637	7,384	12,389	21,601	42,692
Average inventory, end of year \$	6,545	7,305	14,236	27,941	55,012	4,195	7,664	13,962	23,535	46,844
Stock turnover (times per year)	76	1.71	1.80	1.94	2.14	1.17	1.53	1.88	2.26	2.59
Profit And Loss Data (Per cent of net sales)										
Gross profit.....	29.29	27.40	24.24	27.35	26.75	29.71	26.43	26.83	26.19	27.77
Operating expenses:										
Employees' salaries and wages	1.70	5.18	5.06	6.86	9.53	3.65	3.60	4.87	6.52	8.44
Taxes.....	2.54	1.58	1.01	.86	.77	.37	.44	0.41	.27	.25
Insurance.....	1.90	1.04	.78	.79	.63	.65	.68	0.68	.55	.50
Rent.....	—	—	—	—	—	6.37	5.10	3.70	2.80	2.25
Heat, light and power.....	2.36	1.44	.98	.74	.59	1.66	.89	.74	.48	.45
Repairs and maintenance.....	1.97	.79	.71	.55	.48	.12	.31	.52	.46	.35
Depreciation allowances.....	.97	1.47	1.21	1.31	1.09	1.13	.57	.69	.72	.69
Store supplies.....	1.05	.73	.58	.50	.41	.66	.62	.55	.62	.69
Advertising.....	.15	.58	.64	1.15	1.59	.98	.73	1.05	1.22	1.86
Bad debts—written off.....	—	.04	.17	.26	.14	.05	.16	.13	.18	.16
(Less) amount recovered.....	—	—	.02	.05	.02	.04	.06	.01	.01	.03
Net bad debt loss.....	—	.04	.15	.21	.12	.01	.10	.12	.17	.13
All other expenses.....	1.80	2.40	2.29	2.47	2.48	2.54	2.54	2.77	2.46	2.15
Total operating expenses.....	14.44	15.25	13.41	15.44	17.69	18.14	15.58	16.10	16.27	17.76
Net trading profit before proprietors' salaries and income tax deduction.....	14.85	12.15	10.83	11.91	9.04	11.57	10.85	10.73	9.92	10.01

TABLE 2. Men's Clothing Stores - Operating Results of Incorporated Stores, 1950

Item	Owned stores with sales \$100,000 and over	Rented stores with annual net sales of		
		\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over
Number of stores reporting.....	10	17	45	67
Average net sales per store..... \$	235,463	41,959	73,891	203,365
Average cost of goods sold..... \$	168,251	29,161	53,197	141,350
Average beginning inventory..... \$	58,673	14,103	25,656	50,335
Average inventory, end of year..... \$	70,911	14,867	27,773	59,711
Stock turnover (times per year).....	2.60	2.01	1.99	2.57
Profit And Loss Data (Per cent of net sales)				
Gross profit.....	28.54	30.50	28.01	30.49
Operating expenses:				
Employees salaries and wages.....	14.20	17.28	14.37	13.59
Taxes.....	.83	.40	.38	.31
Insurance.....	.54	.69	.60	.45
Rent.....	—	4.27	3.53	3.04
Heat, light and power.....	.48	.63	.62	.50
Repairs and maintenance.....	.69	.41	.36	.34
Depreciation allowances.....	1.54	.88	.47	.69
Store supplies.....	.47	.50	.59	.56
Advertising.....	1.93	1.73	1.48	2.38
Bad debts—written off.....	.23	.12	.18	.54
(Less) amount recovered.....	.05	—	.07	.17
Net bad debt loss.....	.18	.12	.11	.37
All other expenses.....	3.10	2.78	2.81	2.59
Total operating expenses.....	23.96	29.69	25.32	24.82
Net trading profit before income tax deduction.....	4.58	.81	2.69	5.67



**TABLE 3. Men's Clothing Stores—Owned—Financial Structure of Unincorporated Stores by Size of Business as at December 31, 1950**

Item <sup>1</sup> (Average per store)	Stores with annual net sales of			Total, all sizes (owned)
	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over	
Assets				
Current assets:				
Cash on hand and in bank .....	3, 211	7, 148	6, 890	5, 319
Accounts and notes receivable (net) .....	974	3, 050	5, 422	2, 628
Merchandise inventory .....	14, 728	26, 837	51, 038	26, 615
Other current assets:				
Government bonds and securities .....	2, 950	3, 055	3, 083	3, 014
Prepaid expenses .....	48	101	195	97
<b>Total current assets .....</b>	<b>21, 911</b>	<b>40, 191</b>	<b>66, 628</b>	<b>37, 673</b>
Fixed assets (net):				
Used in the business .....	7, 992	16, 082	32, 483	15, 984
Not used in the business .....	1, 273	1, 246	1, 247	1, 259
<b>Total net fixed assets .....</b>	<b>9, 265</b>	<b>17, 328</b>	<b>33, 730</b>	<b>17, 243</b>
Other assets:				
Investments of a permanent nature .....	1, 378	1, 718	3, 944	2, 046
Other, such as goodwill.....	177	808	2, 089	800
<b>Total other assets .....</b>	<b>1, 555</b>	<b>2, 526</b>	<b>6, 033</b>	<b>2, 846</b>
<b>Total assets .....</b>	<b>32, 731</b>	<b>60, 045</b>	<b>106, 391</b>	<b>57, 762</b>
Liabilities				
Current liabilities—accounts and notes payable.....	5, 538	14, 073	27, 436	13, 118
Fixed liabilities—mortgages on fixed assets:				
Used in the business .....	1, 650	2, 994	10, 308	3, 970
Not used in the business .....	155	197	333	208
Other liabilities.....	925	2, 737	169	1, 365
<b>Total liabilities .....</b>	<b>8, 268</b>	<b>20, 001</b>	<b>38, 246</b>	<b>18, 661</b>
Net worth — proprietor's or partners' equity in the business .....	24, 463	40, 044	68, 145	39, 101
<b>Total liabilities and net worth .....</b>	<b>32, 731</b>	<b>60, 045</b>	<b>106, 391</b>	<b>57, 762</b>
Number of stores reporting.....	50	37	24	111
Average net sales of stores reporting .....	33, 056	71, 179	142, 559	69, 440

1. See definitions on page L-5 for more detail.

**TABLE 4. Men's Clothing Stores—Rented—Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1950**

Item <sup>1</sup> (Average per store)	Stores with annual net sales of									Total all sizes (rented)
	\$20,000 - \$49,999			\$50,000 - \$99,999			\$100,000 and over			
	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	
Assets										
Current assets:										
Cash on hand and in bank.....	1,646	2,504	2,085	3,337	6,140	4,838	6,885	14,773	12,210	4,594
Accounts and notes receivable (net).....	1,143	718	926	2,272	3,453	2,904	7,433	6,960	7,114	2,568
Merchandise inventory.....	12,731	15,003	13,893	24,191	22,936	23,519	53,368	42,164	45,805	22,150
Other current assets:										
Government bonds and securities .....	1,263	1,544	1,406	777	2,353	1,621	148	3,771	2,593	1,661
Prepaid expenses.....	123	95	109	289	157	218	562	1,839	1,424	344
<b>Total current assets .....</b>	<b>16,906</b>	<b>19,864</b>	<b>18,419</b>	<b>30,866</b>	<b>35,039</b>	<b>33,100</b>	<b>68,396</b>	<b>69,507</b>	<b>69,146</b>	<b>31,317</b>
Fixed assets (net):										
Used in the business .....	1,598	1,308	1,450	3,614	1,534	2,500	5,186	3,580	4,102	2,228
Not used in the business .....	1,504	2,683	2,107	328	1,859	1,148	10,174	1,094	4,045	2,042
<b>Total net fixed assets .....</b>	<b>3,102</b>	<b>3,991</b>	<b>3,557</b>	<b>3,942</b>	<b>3,393</b>	<b>3,648</b>	<b>15,360</b>	<b>4,674</b>	<b>8,147</b>	<b>4,270</b>
Other assets:										
Investments of a permanent nature .....	32	593	319	409	1,101	779	—	7,083	4,781	1,149
Other, such as goodwill .....	279	156	216	816	554	676	1,691	1,862	1,806	620
<b>Total other assets .....</b>	<b>311</b>	<b>749</b>	<b>535</b>	<b>1,225</b>	<b>1,655</b>	<b>1,455</b>	<b>1,691</b>	<b>8,945</b>	<b>6,587</b>	<b>1,769</b>
<b>Total assets .....</b>	<b>20,319</b>	<b>24,604</b>	<b>22,511</b>	<b>36,033</b>	<b>40,087</b>	<b>38,203</b>	<b>85,447</b>	<b>83,126</b>	<b>83,880</b>	<b>37,356</b>

TABLE 4. Men's Clothing Stores - Rented - Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1950 - Concluded

Item <sup>1</sup> (Average per store)	Stores with annual net sales of									Total all sizes (rented)
	\$20,000 - \$49,999			\$50,000 - \$99,999			\$100,000 and over			
	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total	
Liabilities										
Current liabilities — accounts and notes payable..	7,078	6,219	6,639	17,206	10,622	13,681	34,592	18,342	23,623	11,737
Fixed liabilities — mortgages on fixed assets:										
Used in the business.....	100	79	89	100	—	46	—	143	96	74
Not used in the business .....	631	884	760	—	483	259	—	370	250	501
Other liabilities .....	1,795	946	1,361	2,394	820	1,552	1,437	1,141	1,237	1,413
Total liabilities .....	9,604	8,128	8,849	19,700	11,925	15,538	36,029	19,996	25,206	13,725
Net worth — proprietor's or partners' equity in the business .....	10,715	16,476	13,662	16,333	28,162	22,665	49,418	83,130	58,674	23,631
Total liabilities and net worth .....	20,319	24,604	22,511	36,033	40,087	38,203	85,447	83,126	83,880	37,356
Number of stores reporting.....	64	67	131	46	53	99	13	27	40	270
Average net sales of stores reporting .....	34,159	34,451	34,308	69,315	69,746	69,546	164,532	159,379	161,054	66,006

1. See definitions on page L-5 for more detail.

TABLE 5. Men's Clothing Stores - Financial Structure of Incorporated Stores by Size and Occupancy as at December 31, 1950

Item <sup>1</sup> (Average per store)	Owned stores		Rented stores			Total all sizes (rented)
	With sales of \$100,000 and over	Total all sizes (owned)	Stores with annual net sales of			
			\$20,000- \$49,999	\$50,000- \$99,999	\$100,000- and over	
<b>Assets</b>						
Current assets:						
Cash on hand and in bank	13,283	10,230	2,929	4,351	11,346	7,889
Account and notes receivable (net)	15,104	14,449	1,323	3,355	15,261	9,423
Merchandise inventory	62,227	50,622	14,568	28,634	61,232	44,212
Other current assets:						
Government bonds and securities	1,892	4,189	800	2,987	7,312	5,015
Prepaid expenses	2,523	1,679	236	479	1,581	1,034
<b>Total current assets</b>	<b>95,029</b>	<b>81,169</b>	<b>19,856</b>	<b>39,806</b>	<b>96,732</b>	<b>67,573</b>
Fixed assets (net):						
Used in the business	60,574	41,675	1,775	2,740	5,872	4,284
Not used in the business	160	93	—	433	274	296
<b>Total net fixed assets</b>	<b>60,734</b>	<b>41,768</b>	<b>1,775</b>	<b>3,173</b>	<b>6,146</b>	<b>4,580</b>
Other assets:						
Investments of a permanent nature	11,781	6,844	7	1,031	3,576	2,257
Other, such as goodwill	21,510	14,486	7,723	964	8,533	5,801
<b>Total other assets</b>	<b>33,291</b>	<b>21,330</b>	<b>7,730</b>	<b>1,995</b>	<b>12,109</b>	<b>8,058</b>
<b>Total assets</b>	<b>189,054</b>	<b>144,267</b>	<b>29,361</b>	<b>44,974</b>	<b>114,987</b>	<b>80,211</b>
<b>Liabilities</b>						
Current liabilities — accounts and notes payable	56,014	45,078	8,523	13,938	34,048	23,945
Fixed liabilities — mortgages on fixed assets:						
Used in the business	23,836	15,536	—	—	128	68
Not used in the business	—	—	—	250	39	108
Other liabilities	8,729	6,479	769	4,164	5,402	4,408
<b>Total liabilities</b>	<b>88,579</b>	<b>67,093</b>	<b>9,292</b>	<b>16,352</b>	<b>39,617</b>	<b>28,529</b>
Net worth:						
Capital stock	45,918	38,118	13,314	13,273	24,184	19,066
Surplus and undivided profits	54,557	39,056	6,755	13,349	51,186	32,616
<b>Total net worth</b>	<b>100,475</b>	<b>77,174</b>	<b>20,069</b>	<b>26,622</b>	<b>75,370</b>	<b>51,682</b>
<b>Total liabilities and net worth</b>	<b>189,054</b>	<b>144,267</b>	<b>29,361</b>	<b>44,974</b>	<b>114,987</b>	<b>80,211</b>
Number of stores reporting	11	19	14	40	61	115
Average net sales of stores reporting	231,475	156,372	43,323	76,400	206,563	141,416

1. See definitions on page L-5 for more detail.

## Women's Clothing Stores

Stores in this classification deal principally in women's coats, suits and dresses with related lines of accessories. Specialty stores such as hosiery shops, millinery stores and furriers are not included in this study.

Reports suitable for profit and loss data were received from 459 unincorporated stores and 99 incorporated firms, 37 of the latter reporting operating losses for 1950. Results for unincorporated stores

are presented by five sales-size ranges for owned and rented stores. Incorporated firms reporting fell into the three largest size classes of rented stores.

Balance sheet data were obtainable from 303 stores of the unincorporated type and from 83 incorporated firms. This information was tabulated for the three largest size classes (\$20,000 and over) and by age of business within the size and occupancy brackets where possible.

## Operating Results

Both unincorporated and incorporated types of women's clothing stores realized greater gross profits, in ratio to sales, on their 1950 operations than they did on their 1948 experiences.

Higher percentages of operating expenses reduced any gain in gross profit to produce lower net profits. Net profit of unincorporated stores dropped from 10.36% of net sales in 1948 to 7.66% in 1950 and for incorporated stores the decrease was from 5.09% in 1948 to 2.11% in 1950.

Gross profit ratios decreased as size of business increased; salaries and advertising increased proportionately with sales while other expenses

were generally smaller in relation to sales in the larger stores.

All size classes, except the under \$10,000 group, reported greater dollar volume inventory at the end of the year than at the beginning.

The operator of the average women's clothing store had more than \$2.00 current assets for every \$1.00 current liabilities at the end of 1950.

Every \$1.00 invested in store fixed assets produced \$3.71 sales for the unincorporated owner-proprietor and \$31.59 sales for the lessee-merchant. The average incorporated firm operating from rented premises transacted \$23.91 sales for every \$1.00 of fixed store assets.

## Financial Ratios of Women's Clothing Stores as at December 31, 1950

Ratio	Unincorporated		Incorporated
	Owmed	Rented	Rented
Current assets to current liabilities .....	2.65	2.19	2.38
Current assets to fixed assets .....	1.27	5.98	7.72
Net quick assets to net worth .....	.49	.79	.78
Sales to fixed assets used in the business .....	3.71	31.59	23.91
Liabilities to net worth .....	.46	.79	.65

## Operating Results of Women's Clothing Stores 1948 and 1950 Compared

Item	Unincorporated		Incorporated	
	1948	1950	1948	1950
Number of stores reporting .....	467	459	90	99
Average net sales .....	\$ 51,868	47,929	124,756	118,613
Profit And Loss Data (Percentage of net sales)				
Gross Profit .....	25.80	26.76	28.44	28.97
Operating expenses:				
Employees' salaries .....	6.63	8.19	13.26	14.85
Occupancy .....	4.58	5.87	5.02	6.43
Store supplies .....	.58	.62	.72	.67
Advertising .....	.81	1.11	1.38	1.71
All other expenses .....	2.84	3.31	2.97	3.20
<b>Total operating expenses</b> .....	<b>15.44</b>	<b>19.10</b>	<b>23.35</b>	<b>26.86</b>
Net profit before deduction of income tax <sup>1</sup> .....	10.36	7.66	5.09	2.11

1. For unincorporated stores this ratio also includes proprietors' salaries.

See also chart on page L-14.



TABLE 6. Women's Clothing Stores—Operating Results of Unincorporated Stores by Sales Volume and Occupancy Basis, 1950

Item	Owned stores with annual net sales of					Rented stores with annual net sales of				
	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.....	8	25	53	20	10	14	66	146	87	30
Average net sales per store..... \$	7,707	15,744	33,663	71,864	146,737	7,585	15,490	34,316	68,398	158,865
Average cost of goods sold..... \$	5,615	11,213	25,397	53,855	107,458	5,286	10,901	24,794	50,071	117,319
Average beginning inventory..... \$	4,170	4,801	10,184	14,789	22,384	2,863	5,130	8,524	11,316	20,751
Average inventory, end of year..... \$	3,950	5,166	11,141	15,108	24,113	2,832	5,405	9,560	12,138	22,609
Stock turnover (times per year).....	1.38	2.25	2.38	3.60	4.62	1.86	2.07	2.74	4.27	5.41
Profit and Loss Data (Per cent of net sales)										
Gross profit .....	27.15	28.78	24.56	25.06	26.77	30.31	29.62	27.75	26.79	26.15
Operating expenses:										
Employees' salaries and wages .....	2.08	4.35	5.82	6.86	9.62	4.67	6.56	7.34	8.52	9.75
Taxes .....	3.41	1.48	1.21	0.86	0.66	0.42	0.48	0.34	0.31	0.27
Insurance .....	0.65	0.76	0.80	0.66	1.35	0.56	0.58	0.51	0.45	0.52
Rent.....	—	—	—	—	—	8.46	5.07	3.89	3.41	2.59
Heat, light and power .....	2.44	1.77	1.11	0.82	0.67	1.64	1.12	0.74	0.57	0.53
Repairs and maintenance .....	0.80	0.92	0.84	0.77	0.61	0.38	0.48	0.54	0.49	0.37
Depreciation allowance .....	1.62	2.10	1.51	1.10	1.60	0.26	0.50	0.58	0.74	0.89
Store supplies .....	0.43	0.94	0.77	0.61	0.61	1.00	0.75	0.60	0.59	0.58
Advertising.....	0.77	0.73	0.62	0.99	1.28	0.54	0.51	0.80	1.07	1.81
Bad debts—written off .....	—	—	0.09	0.14	—	—	0.21	0.10	0.13	0.23
(Less) amount recovered .....	—	—	—	0.03	—	—	0.01	0.01	0.03	0.05
Net bad debt loss .....	—	—	0.09	0.11	—	—	0.20	0.09	0.10	0.18
All other expenses .....	2.76	3.58	3.41	3.10	3.42	2.49	2.63	3.28	3.11	3.21
Total operating expenses.....	14.96	16.63	16.18	17.88	19.82	20.42	18.88	18.71	19.36	20.70
Net trading profit before proprietors' salaries and income tax deduction.....	12.19	12.15	8.38	7.18	6.95	9.89	10.74	9.04	7.43	5.45

TABLE 7. Women's Clothing Stores—Operating Results of Incorporated Rented Stores, 1950

Item	Stores with annual net sales of		
	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over
Number of stores reporting.....	19	35	39
Average net sales per store..... \$	39,449	75,445	201,219
Average cost of goods sold..... \$	26,847	53,588	143,329
Average beginning inventory..... \$	11,699	17,832	27,859
Average inventory, end of year..... \$	12,038	19,111	29,655
Stock turnover (times per year).....	2.26	2.90	4.98
Profit and Loss Data (Per cent of net sales)			
Gross profit .....	31.95	28.97	28.77
Operating expenses:			
Employees' salaries and wages .....	17.61	16.02	14.30
Taxes .....	0.78	0.67	0.34
Insurance .....	0.68	0.59	0.49
Rent.....	5.82	4.27	3.02
Heat, light and power .....	0.90	0.69	0.51
Repairs and maintenance .....	0.53	0.51	0.59
Depreciation allowances .....	0.54	0.93	0.94
Store supplies .....	0.56	0.64	0.69
Advertising.....	1.21	0.96	1.96
Bad debts—written off .....	0.15	0.12	0.14
(Less) amount recovered .....	0.06	—	0.02
Net bad debt loss .....	0.09	0.12	0.12
All other expenses .....	4.33	3.32	2.86
Total operating expenses.....	33.05	28.72	25.82
Net trading profit before income tax deduction.....	1.10 <sup>1</sup>	.25	2.95

1. Operating loss.

**TABLE 8. Women's Clothing Stores — Owned — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1950**

Item <sup>1</sup> (Average per store)	Stores with annual net sales of					Total, all sizes
	\$20,000-\$49,999			\$50,000- \$99,999	\$100,000 and over	
	Under 10 years	10 years and over	Total			
<b>Assets</b>						
Current assets:						
Cash on hand and in bank .....	1,531	2,400	2,129	4,148	8,355	3,445
Accounts and notes receivable (net) .....	1,993	898	1,240	2,773	7,807	2,475
Merchandise inventory .....	10,573	10,505	10,526	15,013	24,113	13,419
Other current assets:						
Government bonds and securities .....	347	1,272	983	4,951	6,268	2,678
Prepaid expenses .....	38	391	281	204	303	264
<b>Total current assets .....</b>	<b>14,482</b>	<b>15,466</b>	<b>15,159</b>	<b>27,089</b>	<b>46,846</b>	<b>22,281</b>
Fixed assets (net):						
Used in the business .....	8,331	11,968	10,832	19,763	30,731	15,672
Not used in the business .....	649	1,237	1,053	3,157	3,434	1,898
<b>Total net fixed assets .....</b>	<b>8,980</b>	<b>13,205</b>	<b>11,885</b>	<b>22,920</b>	<b>34,165</b>	<b>17,570</b>
Other assets:						
Investments of a permanent nature .....	—	876	602	1,781	2,002	1,084
Other, such as goodwill .....	302	858	684	274	1,190	644
<b>Total other assets .....</b>	<b>302</b>	<b>1,734</b>	<b>1,286</b>	<b>2,055</b>	<b>3,192</b>	<b>1,728</b>
<b>Total assets .....</b>	<b>23,764</b>	<b>30,405</b>	<b>28,330</b>	<b>52,064</b>	<b>84,203</b>	<b>41,579</b>
<b>Liabilities</b>						
Current liabilities—accounts and notes payable .....	6,059	4,858	5,234	10,520	19,313	8,395
Fixed liabilities—mortgages on fixed assets						
Used in the business .....	4,224	3,269	3,567	3,451	3,000	3,465
Not used in the business .....	—	138	95	165	—	101
Other liabilities .....	1,148	1,535	1,414	83	1,640	1,101
<b>Total liabilities .....</b>	<b>11,431</b>	<b>9,800</b>	<b>10,310</b>	<b>14,219</b>	<b>23,953</b>	<b>13,062</b>
Net worth—Proprietor's or partners' equity in the business .....	12,333	20,605	18,020	37,845	60,250	28,517
<b>Total liabilities and net worth .....</b>	<b>23,764</b>	<b>30,405</b>	<b>28,330</b>	<b>52,064</b>	<b>84,203</b>	<b>41,579</b>
Number of stores reporting .....	15	33	48	20	10	78
Average net sales of stores reporting .....	30,759	34,496	33,328	73,356	146,737	58,131

1. See definitions on page L-5 for more detail.

**TABLE 9. Women's Clothing Stores — Rented — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1950**

Item <sup>1</sup> (Average per store)	Stores with annual net sales of							Total, all sizes (Rented)
	\$20,000-\$49,999			\$50,000-\$99,999			\$100,000 and over	
	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total		
Assets								
Current assets:								
Cash on hand and in bank .....	1,719	2,001	1,875	3,406	4,877	4,490	3,465	2,956
Accounts and notes receivable (net) .....	1,037	1,411	1,244	2,542	2,802	2,733	12,826	3,189
Merchandise inventory .....	9,335	8,619	9,162	13,674	11,428	12,020	22,823	11,827
Other current assets:								
Government bonds and securities .....	997	1,541	1,298	1,232	1,332	1,305	4,271	1,671
Prepaid expenses .....	53	124	93	107	240	205	815	220
Total current assets .....	13,641	13,696	13,672	20,961	20,679	20,753	44,200	19,863
Fixed assets (net):								
Used in the business .....	1,139	949	1,034	3,178	1,734	2,114	5,191	1,916
Not used in the business .....	1,841	1,013	1,382	1,200	913	989	2,616	1,403
Total net fixed assets .....	2,980	1,962	2,416	4,378	2,647	3,103	7,807	3,319
Other assets:								
Investments of a permanent nature .....	445	52	227	176	108	126	1,335	331
Other, such as goodwill .....	296	455	384	694	200	330	166	338
Total other assets .....	741	507	611	870	308	456	1,501	669
Total assets .....	17,362	16,165	16,699	26,209	23,634	24,312	53,508	23,851

**TABLE 9. Women's Clothing Stores - Rented - Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1950**

Item <sup>1</sup> (Average per store)	Stores with annual net sales of							Total, all sizes (Rented)
	\$20,000-\$49,999			\$50,000-\$99,999			\$100,000 and over	
	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total		
<b>Liabilities</b>								
Current liabilities—accounts and notes payable .....	5,309	5,136	5,213	12,432	8,373	9,441	24,786	9,077
Fixed liabilities—mortgages on fixed assets								
Used in the business .....	—	—	—	—	—	—	343	42
Not used in the business .....	784	78	393	250	138	167	—	268
Other liabilities .....	1,122	376	709	1,413	632	838	1,080	799
<b>Total liabilities .....</b>	<b>7,215</b>	<b>5,590</b>	<b>6,315</b>	<b>14,095</b>	<b>9,143</b>	<b>10,446</b>	<b>26,209</b>	<b>19,186</b>
Net worth—proprietor's or partners' equity in the business .....	10,147	10,575	10,384	12,114	14,491	13,866	27,299	13,665
<b>Total liabilities and net worth .....</b>	<b>17,362</b>	<b>16,165</b>	<b>16,699</b>	<b>26,209</b>	<b>23,634</b>	<b>24,312</b>	<b>53,508</b>	<b>23,851</b>
Number of stores reporting .....	54	67	121	20	56	76	28	225
Average net sales of stores reporting .....	32,593	34,928	33,886	66,964	69,319	68,700	153,403	60,519

1. See definitions on page L-5 for more detail.

**TABLE 10. Women's Clothing Stores - Rented - Financial Structure of Incorporated Stores by Size Business as at December 31, 1950**

Item <sup>1</sup> (Average per store)	Stores with annual net sales of			Total, all sizes (Rented)
	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over	
<b>Assets</b>				
Current assets:				
Cash on hand and in bank .....	1,666	4,680	11,802	7,138
Accounts and notes receivable (net) .....	2,437	3,738	9,347	5,868
Merchandise inventory .....	11,468	18,246	28,557	21,369
Other current assets:				
Government bonds and securities .....	598	1,986	9,094	4,732
Prepaid expenses .....	151	494	3,270	1,603
<b>Total current assets .....</b>	<b>16,320</b>	<b>29,144</b>	<b>62,070</b>	<b>40,710</b>
Fixed assets (net):				
Used in the business .....	2,132	3,227	7,809	4,961
Not used in the business .....	64	620	132	314
<b>Total net fixed assets .....</b>	<b>2,196</b>	<b>3,847</b>	<b>7,941</b>	<b>5,275</b>
Other assets:				
Investments of a permanent nature .....	167	152	1,376	671
Other, such as goodwill .....	3,928	1,186	5,208	3,370
<b>Total other assets .....</b>	<b>4,095</b>	<b>1,318</b>	<b>6,584</b>	<b>4,041</b>
<b>Total assets .....</b>	<b>22,611</b>	<b>34,309</b>	<b>76,595</b>	<b>50,026</b>
<b>Liabilities</b>				
Current liabilities—accounts and notes payable .....	7,234	13,306	24,985	17,134
Fixed liabilities—mortgages on fixed assets				
Used in the business .....	173	—	246	135
Not used in the business .....	—	—	—	—
Other liabilities .....	2,332	2,097	2,688	2,389
<b>Total liabilities .....</b>	<b>9,739</b>	<b>15,403</b>	<b>27,919</b>	<b>19,658</b>
Net worth				
Capital Stock .....	9,287	8,407	18,110	12,658
Surplus and undivided profits .....	3,585	10,499	30,566	17,710
<b>Total net worth .....</b>	<b>12,872</b>	<b>18,906</b>	<b>48,676</b>	<b>30,368</b>
<b>Total liabilities and net worth .....</b>	<b>22,611</b>	<b>34,309</b>	<b>76,595</b>	<b>50,026</b>
Number of stores reporting .....	15	33	35	83
Average net sales of stores reporting .....	38,878	75,860	193,136	118,630

1. See definitions on page L-5 for more detail.



## 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 commodities handled may be notions, piece goods, house furnishings, etc, but these must not form a large part of total sales.

Reports suitable for tabulation of profit and loss data were received from 361 unincorporated stores and from 54 incorporated firms. Results for unincorporated stores are shown by sales-size ranges under the occupancy classes of owned and rented stores. Incorporated stores in this classification generally

have higher average sales than in other trades, and for this reason the sales-size ranges have been changed from the usual class range used throughout this series. Results are shown for incorporated stores with sales from \$20,000 to \$99,999; \$100,000 to \$399,999; and \$400,000 and over. Nine of the 54 incorporated firms reported operating losses in 1950.

Balance sheet information was tabulated from 262 reports received from unincorporated stores and 43 satisfactory returns from incorporated firms, in the three largest size groups.

## Operating Results

Family clothing stores operated on greater ratios of gross profit to sales in 1950 than they did in 1948.

Increased operating expenses offset this gain in gross profit to leave a 1950 net profit ratio considerably smaller than that realized in 1948.

The 1950 ratio to sales of both gross and net profits in unincorporated stores decreased as the sales-size increased.

All segments reported greater dollar volume stocks at the end of 1950 than at the beginning.

The rate of stock turnover was slowest in the small stores and most rapid in the large classes.

The range was from once a year in rented stores with sales under \$10,000 to slightly more than three times in the group with sales of \$100,000 or more.

The proprietor of the average owned unincorporated store had a more favourable "current ratio" than those of the other occupancy and type segments with \$3.12 current assets for every \$1.00 current liabilities.

## Financial Ratios of Family Clothing Stores as at December 31, 1950

Ratio	Unincorporated		Incorporated
	Owned	Rented	Rented
Current assets to current liabilities .....	3.12	2.75	2.82
Current assets to fixed assets .....	2.46	8.25	10.46
Net quick assets to net worth .....	.70	.91	.89
Sales to fixed assets used in the business .....	5.31	47.35	25.83
Liabilities to net worth .....	.50	.65	.57

## Operating Results of Family Clothing Stores 1948 and 1950 Compared

Item	Unincorporated		Incorporated	
	1948	1950	1948	1950
Number of stores reporting.....	356	361	52	54
Average net sales .....	\$ 62,539	62,996	287,758	286,596
Profit and Loss Data (Percentage of net sales)				
Gross profit .....	23.35	24.41	28.77	29.64
Operating expenses:				
Employees' salaries .....	6.00	7.08	12.77	14.89
Occupancy .....	3.64	4.54	4.35	4.79
Store supplies .....	.51	.50	.67	.75
Advertising .....	.77	1.01	1.95	2.69
All other expenses .....	2.42	2.60	3.09	2.90
Total operating expenses .....	13.34	15.73	22.83	26.08
Net profit before deduction of income tax <sup>1</sup> .....	10.01	8.68	5.94	3.56

1. For unincorporated stores this ratio also includes proprietors' salaries.

See also chart on page L-26.

TABLE 11. Family Clothing Stores—Operating Results of Unincorporated Stores by Sales Volume and Occupancy Basis, 1950

Item	Owned stores with annual net sales of				Rented stores with annual net sales of				
	\$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 .....	25	66	40	26	13	25	69	65	26
Average net sales per store .....	\$ 14,848	34,120	70,116	193,890	7,572	14,813	32,697	67,268	197,627
Average cost of goods sold .....	\$ 10,855	25,925	53,362	149,038	5,166	10,526	24,301	50,248	149,885
Average beginning inventory .....	\$ 9,267	14,631	27,995	47,265	5,029	7,593	14,447	23,664	46,144
Average inventory, end of year .....	\$ 9,852	15,603	29,615	48,691	5,300	8,256	15,260	25,854	49,802
Stock turnover (times per year) .....	\$ 1.14	1.71	1.85	3.11	1.00	1.33	1.64	2.03	3.12
<b>Profit and Loss Data</b> (Per cent of net sales)									
Gross profit .....	26.89	24.02	23.90	23.13	31.78	28.94	25.68	25.30	24.16
Operating expenses:									
Employees' salaries and wages .....	3.49	4.96	6.87	8.27	2.77	5.45	6.12	6.61	8.26
Taxes .....	1.68	0.92	0.69	0.82	0.68	0.60	0.47	0.32	0.39
Insurance .....	1.39	0.89	0.68	0.60	1.02	0.76	0.71	0.62	0.46
Rent .....	—	—	—	—	8.67	5.73	3.07	2.33	1.60
Heat, light and power .....	1.76	1.12	0.76	0.66	1.12	1.31	0.81	0.59	0.47
Repairs and maintenance .....	1.12	0.68	0.56	0.55	0.23	0.54	0.48	0.53	0.43
Depreciation allowances .....	1.37	1.10	0.91	1.14	0.25	0.46	0.62	0.46	0.72
Store supplies .....	0.96	0.56	0.37	0.51	0.46	0.58	0.52	0.49	0.48
Advertising .....	0.64	0.58	0.77	1.38	0.41	0.61	0.65	0.76	1.41
Bad debts—written off .....	0.17	0.20	0.50	0.38	0.18	0.06	0.36	0.22	0.59
(Less) amount recovered .....	0.01	1	0.25	0.13	—	1	0.04	0.01	0.41
Net bad debt loss .....	0.16	0.20	0.25	0.25	0.18	0.06	0.32	0.21	0.18
All other expenses .....	2.22	2.11	2.43	3.00	1.41	2.52	2.47	2.34	1.87
<b>Total operating expenses</b> .....	<b>14.79</b>	<b>13.12</b>	<b>14.29</b>	<b>17.18</b>	<b>17.20</b>	<b>18.62</b>	<b>16.24</b>	<b>15.26</b>	<b>16.27</b>
Net trading profit before proprietors' salaries and income tax deduction .....	12.10	10.90	9.61	5.95	14.58	10.32	9.44	10.04	7.89

1. Less than 0.005%.

TABLE 12. Family Clothing Stores—Operating Results of Incorporated Rented Stores, 1950

Item	Stores with annual net sales of		
	\$20,000 to \$99,999	\$100,000 to \$399,999	\$400,000 and over
Number of stores reporting .....	12	26	11
Average net sales per store .....	\$ 58,535	230,239	625,172
Average cost of goods sold .....	\$ 41,590	164,336	431,131
Average beginning inventory .....	\$ 22,412	66,231	129,176
Average inventory, end of year .....	\$ 24,989	72,287	146,493
Stock turnover (times per year) .....	1.75	2.37	3.13
<b>Profit and Loss Data</b> (Per cent of net sales)			
Gross profit .....	28.95	28.62	31.04
Operating expenses:			
Employees' salaries and wages .....	15.69	14.20	15.36
Taxes .....	.73	.38	.35
Insurance .....	.81	.44	.38
Rent .....	2.92	2.48	2.32
Heat, light and power .....	.88	.61	.48
Repairs and maintenance .....	.68	.36	.59
Depreciation allowances .....	.91	.80	.71
Store supplies .....	.64	.74	.73
Advertising .....	1.23	2.20	3.47
Bad debts—written off .....	.84	.52	.75
(Less) amount recovered .....	.01	.16	.56
Net bad debt loss .....	.83	.36	.19
All other expenses .....	2.39	2.21	3.16
<b>Total operating expenses</b> .....	<b>27.71</b>	<b>24.78</b>	<b>27.74</b>
Net trading profit before income tax deduction .....	1.24	3.84	3.30

TABLE 13. Family Clothing Stores — Owned — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1950

Item <sup>1</sup> (Average per store)	Stores with annual net sales of							Total all sizes (Owned)
	\$20,000 - \$49,999			\$50,000 - \$99,999			\$100,000 and over	
	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total		
Assets								
Current Assets:								
Cash on hand and in bank .....	3,859	2,993	3,147	3,684	4,157	4,060	6,616	4,187
Accounts and notes receivable (net) .....	1,302	1,264	1,270	2,681	4,573	4,185	14,716	5,099
Merchandise inventory .....	17,833	15,458	15,882	37,202	28,336	30,155	49,993	27,812
Other current assets:								
Government bonds and securities .....	2,437	1,798	1,913	444	2,891	2,389	4,720	2,669
Prepaid expenses .....	17	206	173	321	702	623	222	329
<b>Total Current Assets .....</b>	<b>25,448</b>	<b>21,719</b>	<b>22,385</b>	<b>44,332</b>	<b>40,659</b>	<b>41,412</b>	<b>76,267</b>	<b>40,096</b>
Fixed Assets (net):								
Used in the business .....	6,365	7,053	6,931	9,463	14,171	13,205	36,169	15,235
Not used in the business .....	1,108	975	998	—	1,175	934	1,468	1,079
<b>Total Net Fixed Assets .....</b>	<b>7,473</b>	<b>8,028</b>	<b>7,929</b>	<b>9,463</b>	<b>15,346</b>	<b>14,139</b>	<b>37,637</b>	<b>16,314</b>
Other Assets:								
Investments of a permanent nature .....	80	1,554	1,291	—	822	653	1,716	1,177
Other, such as goodwill .....	100	352	307	505	586	570	1,107	563
<b>Total Other Assets .....</b>	<b>180</b>	<b>1,906</b>	<b>1,598</b>	<b>505</b>	<b>1,408</b>	<b>1,223</b>	<b>2,823</b>	<b>1,740</b>
<b>Total Assets .....</b>	<b>33,101</b>	<b>31,653</b>	<b>31,912</b>	<b>54,300</b>	<b>57,413</b>	<b>56,774</b>	<b>116,727</b>	<b>58,150</b>
Liabilities								
Current liabilities — accounts and notes payable .....	9,086	6,121	6,651	10,749	12,343	12,016	27,381	12,634
Fixed liabilities — mortgages on fixed assets:								
Used in the business .....	1,156	1,242	1,226	3,940	2,050	2,438	9,356	3,364
Not used in the business .....	50	432	364	—	—	—	—	169
Other Liabilities .....	2,056	690	934	4,182	1,158	1,778	8,948	2,928
<b>Total Liabilities .....</b>	<b>12,348</b>	<b>8,485</b>	<b>9,175</b>	<b>18,871</b>	<b>15,551</b>	<b>16,232</b>	<b>45,685</b>	<b>19,295</b>
Net worth—Proprietor's or partners' equity in the business .....	20,753	23,168	22,737	35,429	41,862	40,542	71,042	38,855
<b>Total Liabilities and Net Worth .....</b>	<b>33,101</b>	<b>31,653</b>	<b>31,912</b>	<b>54,300</b>	<b>57,413</b>	<b>56,774</b>	<b>116,727</b>	<b>58,150</b>
Number of stores reporting .....	10	46	56	8	31	39	26	121
Average net sales of stores reporting .....	36,116	34,360	34,674	72,654	72,727	72,714	192,420	80,830

1. See definitions on page L-5 for more detail.

TABLE 14. Family Clothing Stores — Rented — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1950

Item <sup>1</sup> (Average per store)	Stores with annual net sales of							Total all sizes (Rented)
	\$20,000 - \$49,999			\$50,000 - \$99,999			\$100,000 and over	
	Under 10 years	10 years and over	Total	Under 10 years	Under and over	Total		
Assets								
Current Assets:								
Cash on hand and in bank .....	1,830	1,672	1,717	4,873	3,056	3,594	7,444	3,167
Accounts and notes receivable (net) .....	1,052	1,677	1,496	1,807	3,747	3,172	15,843	3,969
Merchandise inventory .....	14,412	15,517	15,197	23,259	26,502	25,541	49,912	23,590
Other current assets:								
Government bonds and securities .....	582	1,834	1,471	829	2,602	2,077	2,591	1,846
Prepaid expenses .....	273	51	116	335	242	270	1,010	289
Total Current Assets .....	18,149	20,751	19,997	31,103	36,149	34,634	76,800	32,861
Fixed Assets (net):								
Used in the business .....	1,912	798	1,121	1,427	1,186	1,257	3,134	1,430
Not used in the business .....	961	2,137	1,796	1,998	3,968	3,384	2,940	2,551
Total Net Fixed Assets .....	2,873	2,935	2,917	3,425	5,154	4,641	6,074	3,981
Other Assets:								
Investments of a permanent nature .....	666	761	733	87	750	554	130	583
Other, such as goodwill .....	246	261	257	996	298	505	2,306	613
Total Other Assets .....	912	1,022	990	1,083	1,048	1,059	2,436	1,201
Total Assets .....	21,934	24,708	23,904	35,611	42,351	40,334	85,310	38,043



**TABLE 14. Family Clothing Stores - Rented - Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1950 - Concluded**

Item <sup>1</sup> (Average per store)	Stores with annual net sales of							Total all sizes (Rented)
	\$20,000-\$49,999			\$50,000-\$99,999			\$100,000 and over	
	Under 10 years	10 years and over	Total	Under 10 years	10 years and over	Total		
Liabilities								
Current liabilities—accounts and notes payable .....	6,386	6,918	6,764	10,160	12,661	11,921	31,835	11,939
Fixed liabilities—mortgages on fixed assets:								
Used in the business .....	—	—	787	—	66	46	89	29
Not used in the business .....	253	1,005	787	250	2,193	1,617	327	1,046
Other liabilities .....	1,429	1,702	1,623	1,259	1,199	1,217	6,003	2,027
Total liabilities .....	8,068	9,625	9,174	11,669	16,119	14,801	38,254	15,041
Net worth—Proprietor's or partners' equity in the business	13,866	15,083	14,730	23,942	26,232	25,553	47,056	23,002
Total liabilities and net worth .....	21,934	24,708	23,904	35,611	42,351	40,354	85,310	38,043
Number of stores reporting .....	20	49	69	16	38	54	18	141
Average net sales of stores reporting .....	32,182	33,677	33,244	66,848	68,125	67,746	199,746	67,713

1. See definitions on page L-5 for more detail.

**TABLE 15. Family Clothing Stores - Rented - Financial Structure of Incorporated Stores by Size of Business as at December 31, 1950**

Item <sup>1</sup> (Average per store)	Stores with annual net sales of			Total all sizes (Rented)
	\$20,000- \$99,999	\$100,000- \$399,999	\$400,000 and over	
Assets				
Current assets:				
Cash on hand and in bank .....	1,434	9,545	10,131	7,795
Account and notes receivable (net) .....	2,317	16,887	75,727	27,183
Merchandise inventory .....	25,679	69,169	151,596	78,224
Other current assets:				
Government bonds and securities .....	240	17,755	12,782	12,525
Prepaid expenses .....	111	3,395	7,616	3,613
Total current assets .....	29,781	116,751	257,852	129,340
Fixed assets (net):				
Used in the business .....	1,935	6,476	29,674	10,815
Not used in the business .....	44	2,769	260	1,552
Total net fixed assets .....	1,979	9,245	29,934	12,367
Other assets:				
Investments of a permanent nature .....	400	363	9,480	2,492
Other, such as goodwill .....	224	3,252	8,655	3,804
Total other assets .....	624	3,615	18,135	6,296
Total assets .....	32,384	129,611	305,921	148,003
Liabilities				
Current liabilities—accounts and notes payable .....	9,820	35,549	105,640	45,865
Fixed liabilities—mortgages on fixed assets:				
Used in the business .....	—	—	—	—
Not used in the business .....	—	209	—	112
Other liabilities .....	7,848	10,583	1,543	7,845
Total liabilities .....	17,668	46,341	107,183	53,822
Net worth:				
Capital stock .....	10,994	36,648	40,040	31,471
Surplus and undivided profits .....	3,722	46,622	158,698	62,710
Total net worth .....	14,716	83,270	198,738	94,181
Total liabilities and net worth .....	32,384	129,611	305,921	148,003
Number of stores reporting .....	10	23	10	43
Average net sales of stores reporting .....	52,196	224,949	631,551	279,332

1. See definitions on page L-5 for more detail.

## Family Shoe Stores

Family shoe stores exclude specialized stores which sell ladies' or men's shoes exclusively. Other related lines of merchandise may be sold in small quantities but footwear must form the bulk of the business for the store to be classed as a shoe store.

Suitable returns on the profit and loss statement were received from 319 unincorporated stores and

63 incorporated firms. The results were tabulated by sales-size for owned and rented classes of occupancy. Incorporated firms fell into the three largest sales-size groups and were all of the rented type of occupancy. In this group 9 of the 63 reported losses in 1950. Balance sheet data were tabulated from the returns of 207 unincorporated and 54 incorporated firms with annual net sales of \$20,000 and over.

## Operating Results

Unincorporated stores showed increased gross profits in relation to sales for 1950 compared with 1948. Gross profit ratios remained almost the same for incorporated firms between the two years.

Increased proportions of operating expenses caused reduced profits in both types of organization. Unincorporated stores realized a net profit in 1950 amounting to 10.55% of net sales compared with 11.51% in 1948. Incorporated firms obtained 4.77% net profit in 1950 as against 7.55% in 1948.

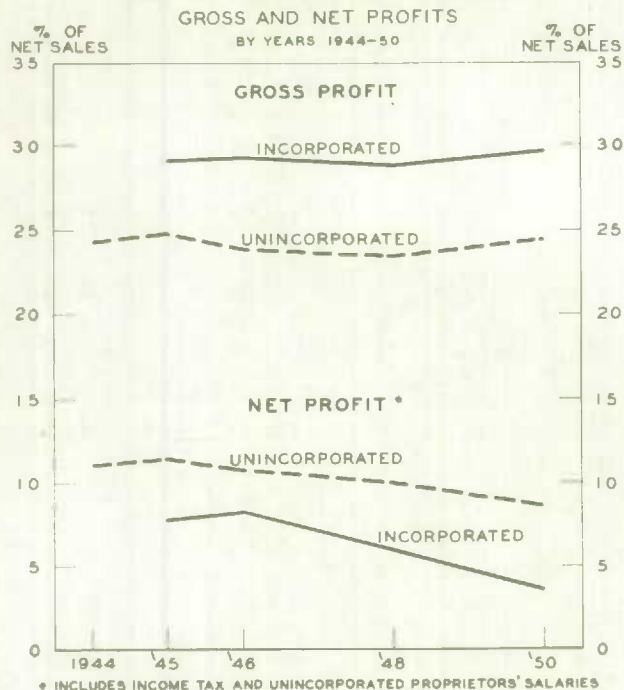
Gross profit ratios of unincorporated stores were irregular in trend over the different size groups of owned and rented stores.

All segments reported greater dollar volume of stock on hand at the end of the year than at the first of the year.

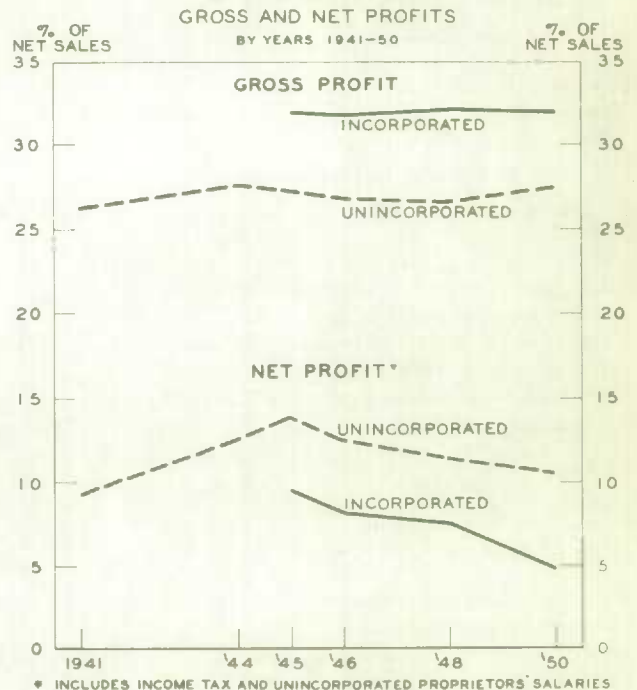
The rate of turnover increased from less than once a year in the smallest size group of owned stores to 2.69 times a year in rented stores with sales of \$100,000 or over.

The proprietor of the average family shoe store had more than \$2 current assets at December 31, 1950 to cover every \$1.00 of current liabilities.

## FAMILY CLOTHING STORES



## SHOE STORES



## Operating Results of Family Shoe Stores 1948 and 1950 Compared

Item	Unincorporated		Incorporated	
	1948	1950	1948	1950
Number of stores reporting .....	258	319	40	63
Average net sales..... \$	49,444	48,768	118,904	127,818
Profit and Loss Data (Percentage of net sales)				
Gross Profit.....	26.55	27.35	32.08	31.95
Operating expenses:				
Employees' salaries .....	7.03	7.60	14.44	15.62
Occupancy .....	4.42	5.36	5.56	6.43
Store supplies .....	.53	.53	.39	.63
Advertising .....	.95	1.10	2.00	2.07
All other expenses .....	2.11	2.21	2.14	2.43
Total operating expenses .....	15.04	16.80	24.53	27.18
Net profit before deduction of income tax <sup>1</sup> .....	11.51	10.55	7.55	4.77

1. For unincorporated stores this ratio also includes proprietors' salaries.

## Financial Ratios of Family Shoe Stores as at December 31, 1950

Ratio	Unincorporated		Incorporated
	Owned	Rented	Rented
Current assets to current liabilities .....	3.02	2.81	2.59
Current assets to fixed assets .....	2.47	11.57	10.06
Net quick assets to net worth .....	.69	.91	.88
Sales to fixed assets used in the business .....	6.01	43.93	30.27
Liabilities to net worth .....	.52	.56	.70

TABLE 16. Family Shoe Stores—Operating Results of Unincorporated Stores by Sales Volume and Occupancy Basis, 1950

Item	Owned stores with annual net sales of				Rented stores with annual net sales of			
	Under \$10,000	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$10,000 to \$19,999	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over
Number of stores reporting .....	8	19	42	13	26	93	81	25
Average net sales per store .....	\$ 7,957	14,587	30,474	67,629	15,411	33,028	67,965	134,752
Average cost of goods sold.....	\$ 5,173	10,308	22,305	49,015	11,159	24,489	49,523	95,903
Average beginning inventory.....	\$ 5,568	7,110	12,585	28,688	8,303	14,099	24,785	34,033
Average inventory, end of year.....	\$ 5,585	7,345	13,967	31,606	8,435	14,919	27,682	37,290
Stock turnover (times per year) .....	0.93	1.43	1.68	1.63	1.33	1.69	1.89	2.69
Profit and Loss Data (Per cent of net sales)								
Gross profit.....	34.99	29.33	26.81	27.52	27.59	25.85	27.13	28.83
Operating expenses:								
Employees' salaries and wages .....	5.53	3.54	5.77	9.06	4.96	6.16	7.91	9.12
Taxes .....	2.49	1.93	1.08	1.02	0.57	0.37	0.36	0.33
Insurance .....	1.24	1.58	0.58	0.89	0.71	0.55	0.50	0.39
Rent .....	—	—	—	—	4.55	3.33	3.07	2.81
Heat, light and power.....	3.05	1.51	1.00	0.63	1.04	0.69	0.44	0.40
Repairs and maintenance .....	1.41	1.27	0.87	0.70	0.34	0.42	0.35	0.30
Depreciation allowances .....	0.76	1.85	1.25	0.99	0.48	0.50	0.67	0.79
Store supplies .....	0.80	0.53	0.56	0.46	1.15	0.49	0.50	0.58
Advertising .....	0.56	0.69	1.02	1.13	0.55	0.73	1.12	1.49
Bad debts—written off.....	0.05	0.20	0.08	0.05	—	0.03	0.06	0.03
(Less) amount recovered .....	—	0.01	—	0.02	—	0.01	1	1
Net bad debt loss .....	0.05	0.19	0.08	0.03	—	0.02	0.06	0.03
All other expenses .....	4.78	2.52	2.38	2.17	2.23	2.07	2.08	2.32
Total operating expenses .....	20.67	15.61	14.59	17.08	18.58	15.33	17.06	18.56
Net trading profit before proprietors' salaries and income tax deduction .....	14.32	13.72	12.22	10.44	11.01	10.52	10.07	10.27

1. Less than 0.005%.



TABLE 17. Family Shoe Stores — Operating Results of Incorporated Rented Stores, 1950

Item	Stores with annual net sales of		
	\$20,000 to \$49,999	\$50,000 to \$99,999	\$100,000 and over
Number of stores reporting .....	17	18	27
Average net sales per store .....	41,326	77,707	217,988
Average cost of goods sold .....	28,174	53,734	148,100
Average beginning inventory .....	18,508	24,919	64,531
Average inventory, end of year .....	20,027	27,144	72,815
Stock turnover (times per year) .....	1.46	2.06	2.16
<b>Profit and Loss Data</b> (Per cent of net sales)			
Gross profit .....	31.83	30.85	32.06
Operating expenses:			
Employees salaries and wages .....	17.93	15.70	15.27
Taxes .....	.56	.41	.59
Insurance .....	.76	.39	.44
Rent .....	5.53	4.25	3.55
Heat, light and power .....	.73	.62	.52
Repairs and maintenance .....	.51	.42	.35
Depreciation allowances .....	.79	.57	.57
Store supplies .....	.56	.47	.68
Advertising .....	1.65	1.32	2.28
Bad debts—written off .....	.08	.05	.03
(Less) amount recovered .....	—	—	.01
Net bad debt loss .....	.08	.05	.02
All other expenses .....	2.52	2.11	2.40
<b>Total operating expenses</b> .....	<b>31.62</b>	<b>26.53</b>	<b>26.67</b>
Net trading profit before income tax deduction .....	.21	4.32	5.39

TABLE 18. Shoe Stores — Financial Structure of Unincorporated Stores by-Size and Occupancy as at December 31, 1950

Item <sup>1</sup> (Average per store)	Owned stores with annual net sales of			Total all sizes	Rented stores with annual net sales of			Total all sizes
	\$20,000 to	\$50,000 to	\$100,000 and over		\$20,000 to	\$50,000 to	\$100,000 and over	
	\$49,999	\$99,999			\$49,999	\$99,999		
Assets								
Current assets:								
Cash on hand and in bank .....	1,542	2,759	8,446	3,330	2,029	2,933	7,352	2,828
Accounts and notes receivable (net) .....	693	994	1,292	903	301	746	1,490	592
Merchandise inventory .....	13,643	32,246	44,862	25,441	13,962	27,524	37,141	21,915
Other current assets:								
Government bonds and securities .....	1,456	2,521	9,397	3,418	695	1,818	6,127	1,605
Prepaid expenses .....	264	98	926	356	55	52	101	57
Total current assets .....	17,598	38,618	64,923	33,448	17,042	33,073	52,211	26,997
Fixed assets (net):								
Used in the business .....	9,358	12,079	13,556	11,006	840	1,570	2,126	1,270
Not used in the business .....	1,359	2,252	5,769	2,534	393	1,484	2,675	1,063
Total net fixed assets .....	10,717	14,331	19,325	13,540	1,233	3,054	4,801	2,333
Other assets:								
Investments of a permanent nature .....	1,778	1,196	2,914	1,850	3	165	2,101	228
Other, such as goodwill .....	242	7	436	216	67	361	2,370	368
Total other assets .....	2,020	1,203	3,350	2,066	70	526	4,471	596
Total assets .....	30,335	54,152	87,598	49,054	18,345	36,653	61,483	29,926
Liabilities								
Current liabilities—accounts and notes payable .....	6,403	11,828	21,347	11,064	5,873	11,399	22,362	9,616
Fixed liabilities—mortgages on fixed assets:								
Used in the business .....	2,196	2,678	3,930	2,695	—	108	73	55
Not used in the business .....	282	1,255	3,484	1,223	14	651	1,098	387
Other liabilities .....	1,314	3,226	821	1,753	627	787	930	723
Total liabilities .....	10,195	18,987	29,562	16,735	6,514	12,945	24,463	10,781
Net worth—Proprietor's or partners' equity in the business	20,140	35,165	58,036	32,319	11,831	23,708	37,020	19,145
Total liabilities and net worth .....	30,335	54,152	87,598	49,054	18,345	36,653	61,483	29,926
Number of stores reporting .....	34	19	14	67	65	65	10	140
Average net sales of stores reporting .....	32,197	69,057	144,465	66,109	32,541	68,320	125,488	55,792

1. See definitions on page L-5 for more detail.

**TABLE 19. Shoe Stores - Rented - Financial Structure of Incorporated Stores by Size of Business  
as at December 31, 1950**

Item <sup>1</sup> (Average per store)	Stores with annual net sales of			Total all sizes (rented)
	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over	
Assets				
Current assets:				
Cash on hand and in bank .....	1,617	4,153	14,478	7,608
Accounts and notes receivable (net) .....	650	603	2,035	1,200
Merchandise inventory .....	19,392	26,772	78,013	45,461
Other current assets:				
Government bonds and securities .....	3,191	2,065	11,020	6,047
Prepaid expenses .....	234	551	1,381	796
<b>Total current assets .....</b>	<b>25,084</b>	<b>34,144</b>	<b>106,927</b>	<b>61,112</b>
Fixed assets (net):				
Used in the business .....	1,560	3,746	6,644	4,279
Not used in the business .....	345	208	3,999	1,793
<b>Total net fixed assets .....</b>	<b>1,905</b>	<b>3,954</b>	<b>10,643</b>	<b>6,072</b>
Other assets:				
Investments of a permanent nature .....	—	1,832	3,276	1,877
Other, such as goodwill .....	1,451	2,340	5,202	3,243
<b>Total other assets .....</b>	<b>1,451</b>	<b>4,172</b>	<b>8,478</b>	<b>5,120</b>
<b>Total assets .....</b>	<b>28,440</b>	<b>42,270</b>	<b>126,048</b>	<b>72,304</b>
Liabilities				
Current liabilities — accounts and notes payable .....	8,278	11,133	43,855	23,619
Fixed liabilities — mortgages on fixed assets:				
Used in the business .....	79	—	—	23
Not used in the business .....	—	—	2,045	833
Other liabilities .....	1,315	4,612	8,863	5,367
<b>Total liabilities .....</b>	<b>9,672</b>	<b>15,745</b>	<b>54,763</b>	<b>29,842</b>
Net worth:				
Capital stock .....	12,454	11,679	30,919	19,747
Surplus and undivided profits .....	6,314	14,846	40,366	22,715
<b>Total net worth .....</b>	<b>18,768</b>	<b>26,525</b>	<b>71,285</b>	<b>42,462</b>
<b>Total liabilities and net worth .....</b>	<b>28,440</b>	<b>42,270</b>	<b>126,048</b>	<b>72,304</b>
Number of stores reporting .....	16	16	22	54
Average net sales of stores reporting .....	41,154	79,059	230,515	129,532

1. See definitions on page L-4 for more detail.





[illegible][illegible]

STATISTICS CANADA LIBRARY  
BIBLIOTHÈQUE STATISTIQUE CANADA



1010738270