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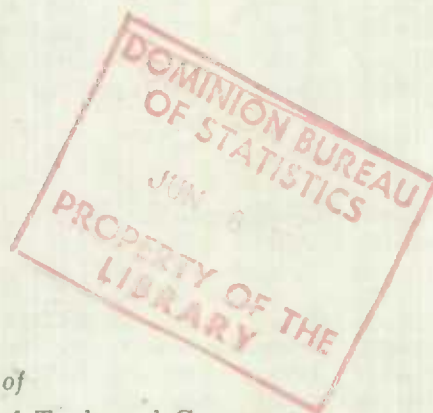
BIENNIAL



OPERATING RESULTS AND FINANCIAL STRUCTURE RETAIL CLOTHING STORES

1958

(Independent)



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Other occasional reports and 1951 Census reports on retail trade are shown in a complete list of publications of the Dominion Bureau of Statistics which is available on request from the Information Services Division, D.B.S., or from the Queen's Printer, Ottawa.

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OPERATING RESULTS AND FINANCIAL STRUCTURE RETAIL CLOTHING STORES

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INTRODUCTION

This report is a continuation of the practice to publish a biennial series of publications on the operating results and financial structure of selected trades, primarily as a guide for retailers. It covers independent retailers — chain stores are surveyed in the alternate year. The averages and ratios that are shown can be used as a standard against which businessmen can compare their own operating experience. The pattern of these ratios are compiled by sales-size ranges and in the case of balance sheet averages, by age of business whenever possible. Such a stratification permits more direct analysis of the operating results by users. It should be borne in mind, however, that these ratios and averages do not represent top performance guides. They are the "average" of a broad range of operational efficiencies.

While this report is similar to the previous operating results reports issued for these trades, some slight modifications in the presentation have been made. The historical series on profit and loss ratios show results from 1952 on a biennial basis rather than just for two years; detailed expense ratios are also shown for "total, all sizes" where formerly they were shown for only the separate sales-size categories. These "total-trade" ratios are the result of applying a weighting pattern to the individual size group results. The weights derived from the 1951 Census for each size group were applied to the results of each respective group to arrive at total trade ratios in which the results of each size and occupancy component are properly represented. The averages shown for balance sheet items have not been weighted and therefore represent the averages obtained by adding together the reporting panel of firms in each cell.

Profit and loss as well as balance sheet definitions are shown on the last pages of this report.

INDEPENDENT MEN'S CLOTHING STORES

Firms included in this classification are those selling mainly men's and boys' ready-made clothing. Items of furnishings, such as shirts, gloves, underwear and shoes, may also be sold but the sales of these items do not exceed 80% of total sales. Specialized stores, such as those whose sales are principally in hats, are not included.

The operating results of men's clothing stores are presented under two main classifications namely, the unincorporated and the incorporated establishments. In the unincorporated establishments, men's clothing stores obtained a gross profit of 28.55% in 1958 as compared to 28.17% in 1956. The operating

expenses, consisting of the employees' salaries (6.62%), occupancy charges (5.90%) and other overhead expenses totalled 18.16% of sales in 1958. The net operating profit ratio before income tax and proprietors' salaries was 10.39% of total net sales.

In the incorporated sector of the trade, the analysis indicates higher gross profit ratios at 30.89% of total net sales as compared to 30.76% in 1956. The operating expenses including employees' salaries of 15.55% and occupancy of 6.01%, totalled 28.22% of total net sales, leaving a net profit before income tax of 2.67%.

TABLE 1. Independent Men's Clothing Stores — Operating Results for 1952-58

Item	Unincorporated				Incorporated			
	1952	1954	1956	1958	1952	1954	1956	1958
	per cent of net sales							
Gross profit	26.37	27.02	28.17	28.55	29.16	29.83	30.76	30.89
Operating expenses:								
Employees' salaries	6.21	6.43	6.20	6.62	14.79	15.75	14.90	15.55
Occupancy	5.01	5.74	5.92	5.90	5.76	6.09	5.85	6.01
Office and store supplies	0.65	0.58	0.60	0.56	0.65	0.67	0.64	0.65
Advertising	1.20	1.41	1.43	1.36	2.03	2.14	2.06	2.31
All other expenses	2.91	3.42	3.16	3.72	3.14	3.44	3.69	3.70
Total operating expenses	15.98	17.58	17.31	18.16	26.37	28.09	27.14	28.22
Net operating profit before deduction of proprietors' salaries and income tax, and addition of net non-trading income	10.39	9.44	10.86	10.39	2.79	1.74	3.62	2.67

Note: These ratios are "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 2. Independent Men's Clothing Stores — Balance Sheet Ratios as at December 31, 1952-58

Item	Unincorporated				Incorporated			
	1952	1954	1956	1958	1952	1954	1956	1958
Current ratio—Owned	3.33	3.09	3.46	4.12	2.02	1.89	3.99	3.40
Rented	2.66	3.12	2.99	2.96	2.95	2.88	3.01	2.73
Liquidity ratio—Owned	1.22	1.09	1.39	1.37	0.82	0.71	1.88	1.31
Rented	0.86	0.96	0.95	0.88	1.01	0.96	1.05	0.97
Working capital to net worth ratio—Owned	0.64	0.60	0.72	0.71	0.52	0.52	0.70	0.67
Rented	0.85	0.90	0.94	0.92	0.85	0.93	0.98	0.88
Worth debt ratio—Owned	2.56	2.30	2.00	2.16	1.37	1.06	1.52	1.47
Rented	1.61	1.86	1.60	1.55	1.85	1.37	1.22	1.36
Turnover of total capital employed—Owned	1.41	1.12	1.24	1.31	1.37	1.00	0.98	1.16
Rented	1.91	1.79	1.86	1.87	1.81	1.62	1.79	1.87

Note: See page 22 for definitions.

TABLE 3. Independent Men's Clothing Stores — Operating Results of Unincorporated Stores by Annual Sales Volume and Occupancy Basis, 1958

Item	Owned stores with annual net sales of			Rented stores with annual net sales of				Total ¹
	\$20,000-\$49,999	\$50,000-\$99,999	\$100,000 and over	\$10,000-\$19,999	\$20,000-\$49,999	\$50,000-\$99,999	\$100,000 and over	
Number of stores reporting	38	31	23	25	138	85	42	401
Average net sales per store	\$ 34,114	76,792	164,611	15,804	34,289	71,050	152,206	84,405
Average beginning inventory	\$ 14,695	30,077	52,770	7,471	13,227	26,205	47,277	29,166
Average inventory, end of year	\$ 14,561	28,704	53,017	7,177	12,814	25,967	46,867	28,786
Average cost of goods sold	\$ 24,489	55,212	119,381	10,811	24,247	51,024	108,607	60,542
Stock turnover (times per year)	1.67	1.88	2.26	1.48	1.86	1.96	2.31	2.09
Profit and loss data (Per cent of net sales)								
Gross profit	28.22	28.10	27.48	31.59	29.29	28.19	28.65	28.55
Operating expenses:								
Employees' salaries and wages, (except delivery)	5.61	7.01	8.81	4.83	4.51	6.89	8.28	6.62
Delivery	0.18	0.37	0.20	0.54	0.49	0.41	0.37	0.36
Occupancy expenses:								
Taxes	1.07	0.99	0.94	0.65	0.48	0.41	0.35	0.64
Insurance	0.92	0.86	0.79	0.83	0.76	0.73	0.65	0.77
Rent	—	—	—	6.51	4.77	3.81	2.70	2.54
Heat, light and power	1.32	0.79	0.71	1.35	0.83	0.66	0.47	0.81
Repairs and maintenance	0.68	0.49	0.61	0.33	0.35	0.38	0.42	0.47
Depreciation allowances	0.82	0.86	0.94	0.44	0.64	0.62	0.50	0.67
Total occupancy expenses	4.81	3.99	3.99	10.11	7.83	6.41	5.09	5.90
Office and store supplies	0.44	0.41	0.52	0.65	0.56	0.56	0.68	0.56
Advertising	0.69	1.24	1.57	0.53	1.01	1.71	1.78	1.36
Net loss on bad debts	0.15	0.20	0.17	0.04	0.23	0.37	0.33	0.25
All other expenses	3.31	3.70	3.28	2.64	3.65	2.91	2.34	3.11
Total operating expenses	15.19	16.92	18.54	19.34	18.28	19.26	18.87	18.16
Net operating profit	13.03	11.18	8.94	12.25	11.01	8.93	9.78	10.39
Non-trading income	3.11	1.00	1.92	0.73	0.69	0.39	0.38	1.00
Non-trading expense	1.48	0.01	0.19	0.01	0.25	0.12	0.06	0.25
Net profit before deduction of proprietors' salaries and income tax	14.66	12.17	10.67	12.97	11.45	9.20	10.10	11.14

¹ Averages and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 4. Independent Men's Clothing Stores — Operating Results of Incorporated Stores by Annual Sales Volume and Occupancy Basis, 1958

Item	Owned stores with annual net sales of		Rented stores with annual net sales of			Total ¹
	Under \$100,000	\$100,000 and over	\$20,000-\$49,999	\$50,000-\$99,999	\$100,000 and over	
Number of stores reporting	12	12	24	63	106	219
Average net sales per store	\$ 67,851	225,806	37,136	74,959	206,908	167,135
Average beginning inventory	\$ 27,249	69,559	16,849	27,242	57,184	49,491
Average inventory, end of year	\$ 26,016	69,830	17,083	26,506	55,388	48,419
Average cost of goods sold	\$ 45,913	155,044	25,437	52,270	142,979	115,349
Stock turnover (times per year)	1.72	2.22	1.50	1.94	2.54	2.38
Profit and loss data (Per cent of net sales)						
Gross profit	32.33	31.34	31.50	30.27	30.90	30.89
Operating expenses:						
Executives' and employees' salaries and wages, etc. (except delivery)	15.41	16.81	15.22	15.70	15.02	15.55
Delivery	0.11	0.15	0.35	0.40	0.25	0.26
Occupancy expenses:						
Taxes	2.24	0.98	0.53	0.44	0.40	0.60
Insurance	0.99	0.68	0.68	0.67	0.50	0.60
Rent	—	—	5.44	4.24	3.43	2.96
Heat, light and power	1.16	0.58	1.02	0.75	0.51	0.63
Repairs and maintenance	1.00	0.52	0.32	0.35	0.33	0.39
Depreciation allowances	1.49	1.25	0.81	0.76	0.67	0.83
Total occupancy expenses	8.88	4.01	8.80	7.21	5.84	6.01
Office and store supplies	0.68	0.78	0.57	0.62	0.62	0.65
Advertising	1.94	2.31	1.20	1.69	2.73	2.31
Net loss on bad debts	0.54	0.18	0.36	0.31	0.36	0.33
All other expenses	5.15	3.01	3.39	2.88	3.02	3.11
Total operating expenses	30.71	27.25	29.89	28.81	27.84	28.22
Net operating profit	1.62	4.09	1.61	1.46	3.06	2.67
Non-trading income	3.82	0.73	0.38	0.18	0.64	0.69
Non-trading expense	0.87	0.01	0.03	0.05	0.13	0.11
Net profit before provision for income tax	4.77	4.81	1.96	1.59	3.57	3.25

¹ Averages and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 5. Independent Men's Clothing Stores - Owned - Financial Structure of Unincorporated Stores by Size of Business as at December 31, 1958

Item	Stores with annual net sales of			Total all sizes \$20,000 and over
	\$20,000 - \$49,999	\$50,000 - \$99,999	\$100,000 and over	
	average per store (dollars)			
Assets				
Current assets:				
Cash on hand and in bank	4,408	8,464	7,796	6,620
Accounts and notes receivable (net)	1,655	3,289	13,510	5,021
Merchandise inventory	14,936	28,704	55,273	29,250
Other current assets	2,912	2,180	3,922	2,895
Total current assets	23,911	42,637	80,501	43,786
Fixed assets (net):				
Used in the business	7,586	11,916	39,646	16,659
Not used in the business	2,057	4,787	5,708	3,869
Total fixed assets (net)	9,643	16,703	45,354	20,528
Other assets:				
Long term investments	2,531	2,202	2,360	2,376
Other assets	238	787	3,820	1,275
Total other assets	2,769	2,989	6,180	3,651
Total assets	36,323	62,329	132,035	67,965
Liabilities				
Current liabilities:				
Accounts and notes payable	4,610	11,783	19,502	10,622
Fixed liabilities:				
Mortgages on fixed assets used in the business	1,780	2,729	9,823	4,008
Mortgages on fixed assets not used in the business	683	1,216	3,175	1,457
Total fixed liabilities	2,463	3,945	12,998	5,465
Other liabilities	1,257	2,368	17,186	5,403
Total liabilities	8,330	18,096	49,686	21,490
Net worth: Proprietor's or partners' equity in the business	27,993	44,233	82,349	46,475
Total liabilities and net worth	36,323	62,329	132,035	67,965
Average net sales of stores reporting	34,308	76,792	169,854	81,038
Number of stores reporting	37	31	21	89

TABLE 6. Independent Men's Clothing Stores - Rented - Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1958

Item	Stores with annual net sales of							Total all sizes \$20,000 and over
	\$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	Total	
average per store (dollars)								
Assets								
Current assets:								
Cash on hand and in bank	2,796	2,605	2,674	2,816	5,411	4,422	9,872	4,428
Accounts and notes receivable (net)	1,317	1,325	1,322	4,910	3,883	4,274	10,630	3,818
Merchandise inventory	11,420	13,470	12,729	27,296	24,722	25,703	46,867	22,587
Other current assets	72	1,597	1,046	294	2,338	1,559	1,829	1,343
Total current assets	15,605	18,997	17,771	35,316	36,354	35,968	69,198	32,176
Fixed assets (net):								
Used in the business	1,454	1,822	1,689	2,362	1,973	2,121	5,400	2,440
Not used in the business	1,205	2,369	1,948	1,529	1,268	1,368	5,585	2,354
Total fixed assets (net)	2,659	4,191	3,637	3,891	3,241	3,489	10,985	4,794
Other assets:								
Long term investments	47	983	644	204	614	458	2,259	848
Other assets	178	269	237	787	240	448	866	409
Total other assets	225	1,252	881	991	854	906	3,125	1,257
Total assets	18,489	24,440	22,289	40,198	40,449	40,353	83,308	38,227
Liabilities								
Current liabilities:								
Accounts and notes payable	7,007	6,181	6,480	14,403	11,699	12,729	20,698	10,863
Fixed liabilities:								
Mortgages on fixed assets used in the business	—	101	64	424	114	232	3,007	602
Mortgages on fixed assets not used in the business	812	322	499	235	290	270	560	434
Total fixed liabilities	812	423	563	659	404	502	3,567	1,036
Other liabilities	1,864	1,854	1,858	6,160	1,408	3,218	6,782	3,112
Total liabilities	9,683	8,458	8,901	21,222	13,511	16,449	31,047	15,011
Net worth: Proprietor's or partners' equity in the business	8,806	15,892	12,388	18,976	26,938	23,904	52,261	23,216
Total liabilities and net worth	18,489	24,440	22,289	40,198	40,449	40,353	83,308	38,227
Average net sales of stores reporting	35,002	33,915	34,308	71,897	70,344	70,936	152,206	65,669
Number of stores reporting	47	83	130	32	52	84	42	256

TABLE 7. Independent Men's Clothing Stores — Owned — Financial Structure of Incorporated Stores by Size of Business as at December 31, 1958

Item	Stores with annual net sales of		Total all sizes \$20,000 and over
	Under \$100,000	\$100,000 and over	
	average per store (dollars)		
Assets			
Current assets:			
Cash on hand and in bank	6,031	19,035	12,533
Accounts and notes receivable (net)	4,770	20,042	12,406
Merchandise inventory	26,015	69,830	47,923
Other current assets	2,305	7,634	4,970
Total current assets	39,121	116,541	77,832
Fixed assets (net):			
Used in the business	38,402	48,786	43,594
Not used in the business	618	2,268	1,443
Total fixed assets (net)	39,020	51,054	45,037
Other assets:			
Long term investments	1,651	15,414	8,532
Other assets	1,240	9,752	5,496
Total other assets	2,891	25,166	14,028
Total assets	81,032	192,761	136,897
Liabilities			
Current liabilities: Accounts and notes payable	16,455	29,323	22,890
Fixed liabilities:			
Mortgages on fixed assets used in the business	8,257	4,599	6,428
Mortgages on fixed assets not used in the business	—	833	416
Total fixed liabilities	8,257	5,432	6,844
Other liabilities	12,534	38,703	25,618
Total liabilities	37,246	73,458	55,352
Net worth:			
Capital stock	17,298	52,844	35,071
Surplus and undivided profits	26,488	66,459	46,474
Total net worth	43,786	119,303	81,545
Total liabilities and net worth	81,032	192,761	136,897
Average net sales of stores reporting	67,850	225,806	146,826
Number of stores reporting	12	12	24

TABLE 8. Independent Men's Clothing Stores — Rented — Financial Structure of Incorporated Stores by Size and Age of Business as at December 31, 1958

Item	Stores with annual net sales of									Total all sizes \$20,000 and over
	\$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	
average per store (dollars)										
Assets										
Current assets:										
Cash on hand and in bank	2,063	3,580	2,759	2,731	4,061	3,470	11,897	11,383	11,576	7,794
Accounts and notes receivable (net)	1,509	1,655	1,576	4,997	4,556	4,752	18,415	22,601	21,031	13,217
Merchandise inventory	20,090	13,438	17,041	24,258	28,305	26,506	51,545	58,078	55,628	41,174
Other current assets	72	832	420	638	747	699	1,514	2,987	2,435	1,609
Total current assets	23,734	19,505	21,796	32,624	37,669	35,427	83,371	95,049	90,970	63,794
Fixed assets (net):										
Used in the business	3,036	1,000	2,103	4,493	2,932	3,626	7,620	8,882	8,408	6,039
Not used in the business	231	1,324	732	993	417	673	33	1,366	866	785
Total fixed assets (net)	3,267	2,324	2,835	5,486	3,349	4,299	7,653	10,248	9,274	6,824
Other assets:										
Long term investments	—	—	—	10	989	554	4,122	5,274	4,842	2,819
Other assets	1,032	926	983	2,055	2,739	2,435	6,280	10,910	9,174	5,922
Total other assets	1,032	926	983	2,065	3,729	2,989	10,402	16,184	14,016	8,741
Total assets	28,033	22,755	25,614	40,175	44,746	42,715	101,426	121,481	113,960	79,359
Liabilities										
Current liabilities:										
Accounts and notes payable	9,996	4,810	7,619	13,220	12,290	12,703	32,809	33,907	33,495	23,386
Fixed liabilities:										
Mortgages on fixed assets used in the business	201	—	109	—	—	—	189	866	612	347
Mortgages on fixed assets not used in the business	1,658	218	998	—	—	—	—	121	76	166
Total fixed liabilities	1,859	218	1,107	—	—	—	189	987	688	513
Other liabilities	6,943	5,399	6,235	5,596	5,087	5,314	14,587	12,508	13,287	9,771
Total liabilities	18,798	10,427	14,961	18,816	17,377	18,017	47,585	47,402	47,470	33,670
Net worth:										
Capital stock	8,476	4,112	6,476	13,538	12,954	13,214	21,688	27,385	25,249	18,920
Surplus and undivided profits	759	8,216	4,177	7,821	14,415	11,484	32,153	46,694	41,241	26,769
Total net worth	9,235	12,328	10,653	21,359	27,369	24,698	53,841	74,079	66,490	45,689
Total liabilities and net worth	28,033	22,755	25,614	40,175	44,746	42,715	101,426	121,481	113,960	79,359
Average net sales of stores reporting	37,878	36,260	37,136	75,012	74,916	74,959	187,612	218,362	206,831	142,011
Number of stores reporting	13	11	24	28	35	63	39	65	104	191

INDEPENDENT WOMEN'S CLOTHING STORES

Firms included in this classification are those selling mainly women's ready-to-wear coats, suits and dresses, with or without accessories. Stores selling piece goods in excess of 50% were excluded, as were those stores that specialize in single lines such as millinery or furs.

The operating results of women's clothing stores are presented under two main classifications, namely, the unincorporated and the incorporated business establishments. In the unincorporated class women's clothing stores obtained a gross profit of 28.78% in 1958 as compared to 28.29% in 1956. The operating

expenses, consisting of employees' salaries (7.54%), occupancy charges (7.15%) and other overhead expenses, totalled 20.26% of sales in 1958. The net operating profit, before income tax and proprietors' withdrawals, were established at 8.52% of total net sales.

For incorporated stores, gross profits were 31.91% of total net sales, as compared to 31.78% in 1956. The operating expenses, of which employees' salaries were 17.02% and occupancy 6.94%, totalled 30.43% of net sales, leaving a net profit before income tax of 1.48% of total net sales.

TABLE 9. Independent Women's Clothing Stores - Operating Results for 1952-58

Item	Unincorporated				Incorporated ¹			
	1952	1954	1956	1958	1952	1954	1956	1958
	per cent of net sales							
Gross profit	26.78	27.38	28.29	28.78	29.76	31.23	31.78	31.91
Operating expenses:								
Employees' salaries	7.61	8.09	7.78	7.54	15.50	16.57	15.85	17.02
Occupancy	5.93	6.44	6.49	7.15	6.43	7.08	7.02	6.94
Office and store supplies	0.69	0.66	0.69	0.73	0.77	0.77	0.83	0.88
Advertising	0.97	1.10	1.05	0.97	1.36	1.63	1.62	1.76
All other expenses	3.17	3.49	3.55	3.87	3.19	3.18	3.29	3.83
Total operating expenses	18.37	19.78	19.56	20.26	27.25	29.23	28.61	30.43
Net operating profit before deduction of proprietors' salaries and income tax, and addition of net non-trading income	8.41	7.60	8.73	8.52	2.51	2.00	3.17	1.48

¹ Covers only rented stores.

Note: These ratios are "weighted" according to the 1951 census weights of the different sales sizes for independent stores.

TABLE 10. Independent Women's Clothing Stores - Balance Sheet Ratios as at December 31, 1952-58

Item	Unincorporated				Incorporated			
	1952	1954	1956	1958	1952	1954	1956	1958
Current ratio - Owned	2.73	2.66	2.95	2.55	—	—	—	—
Rented	2.55	2.17	2.71	2.51	2.27	2.32	2.76	2.29
Liquidity ratio - Owned	1.19	0.99	1.08	0.79	—	—	—	—
Rented	1.07	0.92	1.08	0.97	1.18	1.18	1.46	1.17
Working capital to net worth ratio - Owned	0.51	0.54	0.59	0.49	—	—	—	—
Rented	0.86	0.79	0.91	0.85	0.80	0.74	0.83	0.74
Worth debt ratio - Owned	2.39	1.96	1.69	2.14	—	—	—	—
Rented	1.58	1.18	1.16	1.20	1.45	1.49	1.56	1.38
Turnover of total capital employed - Owned	1.78	1.67	1.60	1.80	—	—	—	—
Rented	2.76	2.44	2.55	2.60	2.70	2.64	2.45	2.51

Note: See page 22 for definitions.

TABLE 11. Independent Women's Clothing Stores — Operating Results of Unincorporated Stores by Annual Sales Volume and Occupancy Basis, 1958

Item	Owned stores with annual net sale of				Rented stores with annual net sales of				Total ¹
	\$10,000 - \$19,999	\$20,000 - \$49,999	\$50,000 - \$99,999	\$100,000 and over	\$10,000 - \$19,999	\$20,000 - \$49,999	\$50,000 - \$99,999	\$100,000 and over	
Number of stores reporting	13	32	20	12	34	89	64	39	317
Average net sales per store	\$ 14,727	\$ 33,062	\$ 71,393	\$ 155,444	\$ 15,880	\$ 34,622	\$ 71,555	\$ 145,763	\$ 67,692
Average beginning inventory	\$ 8,713	\$ 10,193	\$ 20,162	\$ 21,912	\$ 5,458	\$ 8,851	\$ 14,738	\$ 20,133	\$ 13,466
Average inventory, end of year	\$ 8,610	\$ 10,191	\$ 19,931	\$ 23,762	\$ 5,304	\$ 9,485	\$ 15,716	\$ 20,834	\$ 14,038
Average cost of goods sold	\$ 11,235	\$ 23,747	\$ 54,349	\$ 109,772	\$ 10,891	\$ 24,659	\$ 50,198	\$ 103,019	\$ 48,146
Stock turnover (times per year)	1.30	2.33	2.71	4.81	2.02	2.69	3.30	5.03	3.50
Profit and loss data (Per cent of net sales)									
Gross profit	23.71	28.17	23.87	29.38	31.41	28.78	29.85	29.32	28.78
Operating expenses:									
Employees' salaries and wages, (except delivery)	3.33	6.08	7.29	10.23	4.74	6.27	8.89	9.80	7.54
Delivery	0.06	0.66	0.56	0.32	0.19	0.44	0.40	0.48	0.44
Occupancy expenses:									
Taxes	1.67	1.62	0.98	0.86	0.55	0.46	0.42	0.34	0.68
Insurance	0.97	0.88	0.82	0.63	0.86	0.59	0.64	0.49	0.67
Rent	—	—	—	—	7.06	5.31	4.25	3.07	3.46
Heat, light and power	1.97	1.42	0.87	0.82	1.16	0.73	0.61	0.46	0.86
Repairs and maintenance	0.97	0.74	0.65	0.57	0.49	0.53	0.62	0.42	0.58
Depreciation allowances	1.47	1.42	1.06	1.02	0.38	0.67	0.89	0.87	0.90
Total occupancy expenses	7.05	6.08	4.40	3.70	10.30	8.29	7.43	5.65	7.15
Office and store supplies	0.80	0.71	0.62	0.88	0.88	0.67	0.72	0.82	0.73
Advertising	0.55	0.57	0.99	1.30	0.79	0.88	1.04	1.43	0.97
Net loss on bad debts	0.15	0.25	0.06	0.08	0.11	0.12	0.17	0.23	0.15
All other expenses	3.78	3.01	2.75	3.97	4.05	3.23	3.09	3.33	3.28
Total operating expenses	15.72	17.36	16.67	20.48	21.06	19.90	21.74	21.74	20.26
Net operating profit	7.99	10.81	7.20	8.90	10.35	8.88	8.11	7.58	8.52
Non-trading income	1.76	1.57	1.06	0.44	0.02	0.75	0.22	0.76	0.72
Non-trading expense	0.51	0.04	0.22	0.14	0.02	0.07	0.07	0.43	0.15
Net profit before deduction of proprietors' salaries and income tax	9.24	12.34	8.04	9.20	10.35	8.56	8.26	7.91	9.09

¹ Averages and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 12. Independent Women's Clothing Stores — Operating Results of Rented Incorporated Stores by Annual Sales Volume, 1958

Item	Rented stores with annual net sales of			Total ¹
	\$20,000 - \$49,999	\$50,000 - \$99,999	\$100,000 and over	
Number of stores reporting	13	29	67	109
Average net sales per store	\$ 36,555	\$ 73,730	\$ 245,673	\$ 184,930
Average beginning inventory	\$ 11,159	\$ 18,691	\$ 31,905	\$ 26,647
Average inventory, end of year	\$ 11,145	\$ 18,415	\$ 35,003	\$ 28,670
Average cost of goods sold	\$ 24,721	\$ 50,667	\$ 166,037	\$ 125,166
Stock turnover (times per year)	2.22	2.73	4.96	4.53
Profit and loss data (Per cent of net sales)				
Gross profit	32.37	31.28	32.41	31.91
Operating expenses:				
Executives' and employees' salaries and wages, etc. (except delivery)	17.55	16.72	17.23	17.02
Delivery	0.20	0.34	0.31	0.30
Occupancy expenses:				
Taxes	1.24	0.66	0.41	0.55
Insurance	3.73	0.61	0.39	0.47
Rent	6.14	4.52	3.26	3.80
Heat, light and power	0.74	0.67	0.53	0.58
Repairs and maintenance	0.43	0.41	0.54	0.49
Depreciation allowances	0.82	0.87	1.15	1.05
Total occupancy expenses	10.10	7.74	6.28	6.94
Office and store supplies	0.76	0.89	0.90	0.88
Advertising	0.93	1.48	1.99	1.76
Net loss on bad debts	0.14	0.06	0.29	0.22
All other expenses	4.10	3.62	3.13	3.31
Total operating expenses	33.78	30.55	30.13	30.43
Net operating profit	1.41	0.43	2.28	1.46
Non-trading income	0.49	0.68	1.77	1.39
Non-trading expense	0.03	0.09	0.38	0.28
Net profit before provision for income tax	0.95	1.02	3.67	2.59

¹ Averages and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 13. Independent Women's Clothing Stores — Owned — Financial Structure of Unincorporated Stores by Size of Business as at December 31, 1958

Item	Stores with annual net sales of			Total all sizes \$20,000 and over
	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over	
	average per store (dollars)			
Assets				
Current assets:				
Cash on hand and in bank	2,454	2,619	5,421	3,074
Accounts and notes receivable (net)	1,471	1,717	6,035	2,421
Merchandise inventory	10,555	19,930	24,741	16,478
Other current assets	1,138	2,409	2,977	1,925
Total current assets	15,618	26,675	39,174	23,898
Fixed assets (net):				
Used in the business	9,021	12,209	25,362	13,219
Not used in the business	481	3,563	93	1,471
Total fixed assets (net)	9,502	15,772	25,455	14,690
Other assets:				
Long term investments	637	2,813	7,576	2,704
Other assets	—	663	9,222	1,977
Total other assets	637	3,476	16,798	4,681
Total assets	25,757	45,923	81,427	43,269
Liabilities				
Current liabilities:				
Accounts and notes payable	4,356	9,824	20,820	9,364
Fixed liabilities:				
Mortgages on fixed assets used in the business	1,988	1,207	145	1,369
Mortgages on fixed assets not used in the business	—	2,348	—	810
Total fixed liabilities	1,988	3,555	145	2,179
Other liabilities	397	4,121	3,418	2,254
Total liabilities	6,741	17,500	24,383	13,797
Net worth: Proprietor's or partners' equity in the business	19,016	28,423	57,044	29,472
Total liabilities and net worth	25,757	45,923	81,427	43,269
Average net sales of stores reporting	34,071	71,393	158,400	70,520
Number of stores reporting	27	20	11	58

TABLE 14. Independent Women's Clothing Stores — Rented — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1958

Item	Stores with annual net sales of						Total all sizes \$20,000 and over	
	\$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		
average per store (dollars)								
Assets								
Current assets:								
Cash on hand and in bank	1,790	4,020	3,220	3,164	3,646	3,485	5,476	3,802
Accounts and notes receivable (net)	1,173	1,027	1,079	2,104	4,263	3,544	9,951	3,864
Merchandise inventory	10,585	9,178	9,683	17,629	15,008	15,880	20,833	14,268
Other current assets	260	1,200	863	781	2,009	1,600	1,696	1,301
Total current assets	13,808	15,425	14,845	23,678	24,924	24,509	37,956	23,235
Fixed assets (net):								
Used in the business	1,909	1,559	1,685	3,285	3,266	3,272	6,745	3,336
Not used in the business	434	2,466	1,736	645	2,304	1,751	2,518	1,911
Total fixed assets (net)	2,343	4,025	3,421	3,930	5,570	5,023	9,263	5,247
Other assets:								
Long term investments	304	948	717	478	197	291	1,175	667
Other assets	203	227	218	1,397	298	684	3,050	988
Total other assets	507	1,175	935	1,875	495	955	4,225	1,655
Total assets	16,658	20,625	19,201	29,483	30,989	30,487	51,444	30,137
Liabilities								
Current liabilities:								
Accounts and notes payable	5,222	4,156	4,539	8,595	12,129	10,950	15,896	9,244
Fixed liabilities:								
Mortgages on fixed assets used in the business	—	291	186	213	—	71	2,287	601
Mortgages on fixed assets not used in the business	—	1,215	779	—	318	212	938	615
Total fixed liabilities	—	1,506	965	213	318	283	3,225	1,216
Other liabilities	854	1,703	1,398	3,365	3,562	3,497	6,395	3,215
Total liabilities	6,076	7,365	6,902	12,173	16,009	14,730	25,518	13,675
Net worth: Proprietor's or partners' equity in the business	10,582	13,260	12,299	17,310	14,980	15,757	25,926	16,462
Total liabilities and net worth	16,658	20,625	19,201	29,483	30,989	30,487	51,444	30,137
Average net sales of stores reporting	34,788	34,117	34,358	67,570	73,615	71,600	145,738	71,525
Number of stores reporting	28	50	78	21	42	63	39	180

TABLE 15. Independent Women's Clothing Stores — Rented — Financial Structure of Incorporated Stores by Size and Age of Business as at December 31, 1958

Item	Stores with annual net sales of							Total all sizes \$20,000 and over
	\$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	
average per store (dollars)								
Assets								
Current assets:								
Cash on hand and in bank	3,629	770	3,756	2,315	10,938	12,508	12,175	8,590
Accounts and notes receivable (net)	2,597	6,661	5,849	6,241	37,767	17,181	21,548	15,393
Merchandise inventory	10,600	21,134	15,878	18,415	46,203	31,642	34,730	27,763
Other current assets	600	228	684	464	4,357	8,400	7,543	4,886
Total current assets	17,426	28,793	26,167	27,435	99,265	69,731	75,996	56,632
Fixed assets (net):								
Used in the business	988	4,016	3,120	3,552	10,777	12,931	12,474	8,841
Not used in the business	226	20	49	35	141	41	62	72
Total fixed assets (net)	1,214	4,036	3,169	3,587	10,918	12,972	12,536	8,913
Other assets:								
Long term investments	326	2,122	1,599	1,852	2,835	5,858	5,017	3,864
Other assets	2,464	2,064	2,237	2,153	8,996	6,359	6,494	4,889
Total other assets	2,790	4,186	3,836	4,005	9,631	12,017	11,511	8,553
Total assets	21,430	37,015	33,172	35,027	119,814	94,720	100,043	74,098
Liabilities								
Current liabilities:								
Accounts and notes payable	5,558	14,806	8,030	11,301	52,857	28,727	33,846	24,742
Fixed liabilities:								
Mortgages on fixed assets used in the business	—	—	—	—	—	1,201	946	589
Mortgages on fixed assets not used in the business	270	—	—	—	—	—	—	28
Total fixed liabilities	270	—	—	—	—	1,201	946	617
Other liabilities	3,925	5,554	3,014	4,240	17,721	3,791	6,745	5,768
Total liabilities	9,753	20,360	11,044	15,541	70,578	33,719	41,537	31,127
Net worth:								
Capital stock	9,007	9,065	12,929	11,064	18,157	17,070	17,301	14,734
Surplus and undivided profits	2,670	7,590	9,199	8,422	31,079	43,931	41,205	28,237
Total net worth	11,677	16,655	22,128	19,486	49,236	61,001	58,506	42,971
Total liabilities and net worth	21,430	37,015	33,172	35,027	119,814	94,720	100,043	74,098
Average net sales of stores reporting	35,429	76,764	70,899	73,730	279,891	236,037	245,339	176,807
Number of stores reporting	11	14	15	29	14	52	66	106

INDEPENDENT FAMILY CLOTHING STORES

Firms included in this classification are those selling mainly men's, women's and children's clothing and furnishings. Other items sold may include piece goods, notions, house furnishings and footwear but the total sales of such items do not exceed 50% of total sales made by the establishment.

The operating results of family clothing stores are presented under two main classifications, namely, the unincorporated and the incorporated establishments. In the unincorporated category, family clothing stores obtained a gross profit of 27.12% in 1958 as compared with 26.54% in 1956. The operating

expenses, consisting of the employees' salaries (7.41%) occupancy charges (6.01%) and other overhead expenses, totalled 18.67% of net sales in 1958. The net operating profit before income tax and proprietors' withdrawals, were established at 8.45% of total net sales.

In the incorporated sector of the trade, gross profits were 30.55% of total net sales, as compared to 30.32% in 1956. The operating expenses, of which employees' salaries were 15.30% and occupancy 5.09%, amounted to 28.07% leaving a net profit before income tax of 2.48% of total net sales.

TABLE 16. Independent Family Clothing Stores — Operating Results for 1952-58

Item	Unincorporated				Incorporated			
	1952	1954	1956	1958	1952	1954	1956	1958
	per cent of net sales							
Gross profit	24.45	25.88	26.54	27.12	29.73	29.45	30.32	30.55
Operating expenses:								
Employees' salaries	6.53	7.27	7.14	7.41	14.65	15.73	15.71	15.30
Occupancy	4.93	5.38	5.50	6.01	4.71	4.97	4.78	5.09
Office and store supplies	0.61	0.55	0.55	0.54	0.79	0.89	0.81	0.90
Advertising	0.95	1.17	1.27	1.21	2.55	2.46	2.56	2.60
All other expenses	2.46	2.85	3.06	3.50	3.53	3.07	3.19	4.18
Total operating expenses	15.48	17.22	17.52	18.67	26.23	27.12	27.05	28.07
Net operating profit before deduction of proprietors' salaries and income tax and addition of net non-trading profit	8.97	8.66	9.02	8.45	3.50	2.33	3.27	2.48

Note: These ratios are "weighted" according to the 1951 census weights of the different sales sizes for independent stores.

TABLE 17. Independent Family Clothing Stores — Balance Sheet Ratios as at December 31, 1952-58

Item	Unincorporated				Incorporated			
	1952	1954	1956	1958	1952	1954	1956	1958
Current ratio — Owned	3.91	3.82	4.32	4.51	—	3.62	4.29	—
Rented	2.98	3.22	2.82	2.57	2.54	2.73	2.82	3.07
Liquidity ratio — Owned	1.29	1.46	1.47	1.51	—	1.40	1.48	—
Rented	1.03	0.94	1.18	0.96	1.32	1.12	1.18	1.56
Working capital to net worth ratio — Owned	0.73	0.64	0.66	0.70	—	0.75	0.79	—
Rented	0.87	0.91	0.98	0.99	0.86	0.95	0.98	0.97
Worth debt ratio — Owned	2.84	3.06	2.99	2.78	—	2.24	1.79	—
Rented	1.86	1.83	1.33	1.17	1.59	1.32	1.33	1.40
Turnover of total capital employed — Owned	1.42	1.28	1.32	1.29	—	1.58	1.51	—
Rented	1.92	1.91	1.83	1.97	1.85	1.85	2.02	1.89

Note: See page 22 for definitions.

TABLE 18. Independent Family Clothing Stores—Operating Results of Unincorporated Stores by Annual Sales Volume and Occupancy Basis 1958

Item	Owned stores with annual net sales of			Rented stores with annual net sales of				Total ¹
	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over	\$10,000- \$19,999	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over	
Number of stores reporting	31	31	21	10	33	38	33	209
Average net sales per store	\$ 34,991	\$ 66,313	\$ 170,789	\$ 15,361	\$ 36,127	\$ 65,924	\$ 214,415	\$ 100,140
Average beginning inventory	\$ 18,498	\$ 28,084	\$ 51,537	\$ 9,251	\$ 16,649	\$ 24,039	\$ 48,458	\$ 30,683
Average inventory, end of year	\$ 18,405	\$ 27,017	\$ 52,814	\$ 8,578	\$ 16,390	\$ 24,206	\$ 46,973	\$ 30,434
Average cost of goods sold	\$ 26,717	\$ 49,639	\$ 125,924	\$ 10,843	\$ 26,173	\$ 47,771	\$ 153,600	\$ 72,899
Stock turnover (times per year)	1.45	1.80	2.41	0.78	1.58	1.98	3.22	2.39
Profit and loss data (per cent of net sales)								
Gross profit	23.64	25.14	26.27	29.41	27.55	27.54	28.36	27.12
Operating expenses:								
Employees' salaries and wages (except delivery)	4.77	6.70	8.49	3.76	6.07	7.03	11.61	7.41
Delivery	0.45	0.34	0.13	0.26	0.41	0.53	0.13	0.34
Occupancy expenses:								
Taxes	1.17	0.90	0.73	0.92	0.70	0.39	0.44	0.79
Insurance	1.13	0.93	0.65	1.10	0.91	0.71	0.68	0.88
Rent	—	—	—	5.64	4.43	2.83	2.49	1.84
Heat, light and power	1.38	0.99	0.77	1.33	0.88	0.66	0.60	0.96
Repairs and maintenance	0.83	0.61	0.62	0.24	0.48	0.38	0.46	0.62
Depreciation allowances	1.27	1.04	1.42	0.01	0.65	0.71	0.55	0.92
Total occupancy expenses	5.78	4.47	4.19	9.24	8.05	5.68	5.22	6.01
Office and store supplies	0.31	0.44	0.47	0.90	0.68	0.40	0.66	0.54
Advertising	0.75	1.16	1.23	0.21	1.03	0.99	2.22	1.21
Net loss on bad debts	0.41	0.12	0.37	0.18	0.30	0.03	0.35	0.26
All other expenses	3.01	2.73	2.38	1.94	3.01	3.07	2.96	2.90
Total operating expenses	15.48	13.96	17.26	16.49	19.55	17.73	23.15	18.67
Net operating profit	8.16	9.18	9.01	12.92	8.00	9.81	5.21	8.45
Non-trading income	1.16	1.29	2.93	0.40	0.35	1.54	1.22	1.52
Non-trading expense	0.37	0.24	0.36	—	0.05	1.35	0.06	0.35
Net profit before deduction of proprietors' salaries and income tax	8.95	10.23	11.58	13.32	8.30	10.00	6.37	9.62

¹ Averages and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 19. Independent Family Clothing Stores—Operating Results of Incorporated Stores by Annual Sales Volume and Occupancy Basis, 1958

Item	Owned stores with annual net sales of	Rented stores with annual net sales of				Total ¹
	\$100,000 and over	\$20,000- \$99,999	\$100,000- \$199,999	\$200,000- \$399,999	\$400,000 and over	
Number of stores reporting	15	18	22	23	24	106
Average net sales per store	\$ 309,568	\$ 62,195	\$ 147,069	\$ 275,752	\$ 670,761	\$ 320,820
Average beginning inventory	\$ 76,539	\$ 28,263	\$ 46,680	\$ 65,546	\$ 138,494	\$ 76,908
Average inventory, end of year	\$ 75,044	\$ 27,987	\$ 41,907	\$ 62,612	\$ 139,644	\$ 75,181
Average cost of goods sold	\$ 215,688	\$ 45,014	\$ 100,937	\$ 191,109	\$ 458,204	\$ 221,551
Stock turnover (times per year)	2.85	1.60	2.28	2.98	3.29	2.91
Profit and loss data (Per cent of net sales)						
Gross profit	30.33	27.62	31.37	30.89	31.69	30.55
Operating expenses:						
Executives' and employees' salaries and wages etc. (except delivery)	14.73	14.38	15.94	16.16	15.84	15.30
Delivery	0.28	0.44	0.31	0.27	0.16	0.24
Occupancy expenses:						
Taxes	0.94	0.96	0.45	0.36	0.49	0.68
Insurance	0.63	0.87	0.59	0.48	0.48	0.58
Rent	—	3.74	2.80	2.37	2.52	1.57
Heat, light and power	0.70	0.81	0.55	0.65	0.49	0.62
Repairs and maintenance	0.92	0.37	0.38	0.41	0.76	0.72
Depreciation allowances	1.08	0.43	0.74	0.96	0.93	0.92
Total occupancy expenses	4.25	7.18	5.51	5.23	5.67	5.09
Office and store supplies	0.84	0.61	0.72	0.82	1.12	0.90
Advertising	2.71	1.09	1.83	2.10	3.25	2.60
Net loss on bad debts	0.29	0.22	0.54	0.74	0.64	0.47
All other expenses	3.66	2.71	3.68	2.65	3.71	3.47
Total operating expenses	26.76	26.63	28.53	27.97	30.39	28.67
Net operating profit	3.67	0.99	2.84	2.72	1.30	2.48
Non-trading income	1.03	0.44	0.51	1.19	2.54	1.45
Non-trading expense	0.12	0.04	0.13	0.17	0.18	0.14
Net profit before provision for income tax	4.48	1.39	3.22	3.74	3.66	3.79

¹ Average and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 20. Independent Family Clothing Stores — Owned — Financial Structure of Unincorporated Stores by Size of Business as at December 31, 1958

Item	Stores with annual net sales of			Total all sizes \$20,000 and over
	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over	
	average per store (dollars)			
Assets				
Current assets:				
Cash on hand and in bank	2,691	5,369	9,873	5,526
Accounts and notes receivable (net)	2,131	3,846	11,751	5,217
Merchandise inventory	18,573	27,688	52,560	30,639
Other current assets	783	2,631	13,190	4,626
Total current assets	24,178	39,534	87,374	46,008
Fixed assets (net):				
Used in the business	7,222	11,119	38,844	16,707
Not used in the business	2,228	1,799	14,646	5,209
Total fixed assets (net)	9,450	12,918	53,490	21,916
Other assets:				
Long term investments	969	1,128	1,662	1,205
Other assets	69	344	1,794	610
Total other assets	1,038	1,472	3,456	1,815
Total assets	34,666	53,924	144,320	69,739
Liabilities				
Current liabilities:				
Accounts and notes payable	5,415	11,783	14,798	10,209
Fixed liabilities:				
Mortgages on fixed assets used in the business	1,732	1,579	8,992	3,512
Mortgages on fixed assets not used in the business	174	400	1,350	633
Total fixed liabilities	1,906	2,179	10,342	4,145
Other liabilities	2,958	3,129	7,138	4,081
Total liabilities	10,279	17,091	32,278	18,435
Net worth: Proprietor's or partners' equity in the business	24,387	36,833	112,042	51,304
Total liabilities and net worth	34,666	53,924	144,320	69,739
Average net sales of stores reporting	35,684	66,262	172,773	82,002
Number of stores reporting	29	30	20	79

TABLE 21. Independent Family Clothing Stores — Rented — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1958

Item	Stores with annual net sales of					Total all sizes \$20,000 and over
	\$20,000- \$49,999	\$50,000 - \$99,999			\$100,000 and over	
		Under 10 years	10 years and over	Total		
average per store (dollars)						
Assets						
Current assets:						
Cash on hand and in bank	1,635	1,344	4,292	3,391	6,494	3,800
Accounts and notes receivable (net)	3,689	4,954	2,759	3,430	31,158	12,300
Merchandise inventory	16,392	21,268	25,565	24,252	46,137	28,618
Other current assets	617	190	1,609	1,175	1,090	966
Total current assets	22,333	27,756	34,225	32,248	84,879	45,684
Fixed assets (net):						
Used in the business	1,916	2,479	2,721	2,647	5,457	3,298
Not used in the business	1,436	1,227	479	708	1,736	1,272
Total fixed assets (net)	3,352	3,706	3,200	3,355	7,193	4,570
Other assets:						
Long term investments	1,028	95	444	337	394	581
Other assets	352	3,138	41	988	3,369	1,534
Total other assets	1,380	3,233	485	1,325	3,763	2,115
Total assets	27,065	34,895	37,910	36,928	95,835	52,369
Liabilities						
Current liabilities:						
Accounts and notes payable	7,364	10,764	10,323	10,458	36,682	17,755
Fixed liabilities:						
Mortgages on fixed assets used in the business	353	698	576	613	—	334
Mortgages on fixed assets not used in the business	543	1,027	1,768	1,542	795	979
Total fixed liabilities	896	1,725	2,344	2,155	795	1,313
Other liabilities	4,428	4,192	3,701	3,851	7,039	5,050
Total liabilities	12,688	16,681	16,368	16,464	44,516	24,118
Net worth: Proprietor's or partners' equity in the business	14,377	18,014	21,542	20,464	51,319	28,251
Total liabilities and net worth	27,065	34,695	37,910	36,828	95,835	52,369
Average net sales of stores reporting	36,127	64,796	67,090	66,389	201,636	99,352
Number of stores reporting	33	11	25	36	32	101

TABLE 22. Independent Family Clothing Stores - Rented - Financial Structure of Incorporated Stores by Size of Business as at December 31, 1958

Item	Stores with annual net sales of				Total all sizes \$20,000 and over
	\$20,000- \$99,999	\$100,000 - \$199,999	\$200,000- \$399,999	\$400,000 and over	
	average per store (dollars)				
Assets					
Current assets:					
Cash on hand and in bank	2,188	8,116	16,442	21,065	13,757
Accounts and notes receivable (net)	8,464	18,753	34,402	137,563	59,313
Merchandise inventory	34,081	42,636	65,504	139,644	78,651
Other current assets	119	1,839	14,741	10,734	8,134
Total current assets	44,852	71,344	131,089	309,006	159,855
Fixed assets (net):					
Used in the business	1,685	5,440	13,069	25,131	13,324
Not used in the business	125	46	1,253	2,461	1,169
Total fixed assets (net)	1,810	5,486	14,322	27,592	14,493
Other assets:					
Long term investments	410	3,039	7,835	14,638	7,710
Other assets	3,982	4,704	8,057	14,140	8,550
Total other assets	4,392	7,743	15,892	28,778	16,260
Total assets	51,054	84,573	161,303	365,376	190,608
Liabilities					
Current liabilities:					
Accounts and notes payable	10,320	20,970	33,911	112,280	52,010
Fixed liabilities:					
Mortgages on fixed assets used in the business	—	2,855	577	1,000	1,197
Mortgages on fixed assets not used in the business	—	—	—	500	158
Total fixed liabilities	—	2,855	577	1,500	1,355
Other liabilities	13,604	16,538	30,397	35,541	26,126
Total liabilities	23,924	40,363	84,885	149,321	79,491
Net worth:					
Capital stock	16,107	19,242	31,930	64,492	38,750
Surplus and undivided profits	11,023	24,968	64,488	151,563	74,367
Total net worth	27,130	44,210	96,418	216,055	111,117
Total liabilities and net worth	51,054	84,573	161,303	365,376	190,608
Average net sales of stores reporting	78,779	145,977	288,286	670,761	343,251
Number of stores reporting	11	19	22	24	76

INDEPENDENT FAMILY SHOE STORES

Firms included in this classification are those selling mainly men's, women's and children's shoes. Other items sold may include hosiery, gloves, handbags and luggage but the total sales of such items do not exceed 50% of total sales made by the establishment.

The operating results of family shoe stores are presented under two main classifications, namely, the unincorporated and the incorporated establishments. In the unincorporated group, family shoe stores obtained a gross profit of 29.31% in 1958, compared with 29.43% in 1956. The operating expenses, consisting of employees' salaries (7.52%),

occupancy charges (6.12%) and other overhead expenses, totalled 18.12% of net sales in 1958. The net operating profits before income tax and proprietors' salaries, were established at 11.19% of total net sales.

In the incorporated sector of the trade, gross profits were 33.21% of total net sales, as compared to 33.49% in 1956. The operating expenses, of which employees' salaries were 17.29% and occupancy charges 6.68%, amounted to 23.97% of total net sales; net profit before income tax was 3.37% of total net sales in 1958.

TABLE 23. Independent Family Shoe Stores — Operating Results for 1952-58

Item	Unincorporated				Incorporated ¹			
	1952	1954	1956	1958	1952	1954	1956	1958
	per cent of net sales							
Gross profit	27.21	27.77	29.43	29.31	30.06	31.49	33.49	33.21
Operating expenses:								
Employees' salaries	7.07	7.74	7.46	7.52	15.74	16.98	18.13	17.29
Occupancy	5.33	5.76	6.42	6.12	6.15	6.54	6.55	6.68
Office and store supplies	0.51	0.47	0.53	0.49	0.49	0.59	0.56	0.52
Advertising	1.04	1.10	1.31	1.30	1.77	1.99	2.16	2.07
All other expenses	2.13	2.48	2.46	2.69	2.89	2.90	3.00	3.28
Total operating expenses	16.08	17.55	18.18	18.12	27.04	29.00	30.40	29.84
Net operating profit before deduction of proprietors' salaries and income tax, and addition of net non-trading income	11.13	10.22	11.25	11.19	3.02	2.49	3.09	3.37

¹ Covers only rented stores.

Note: These ratios are "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.

TABLE 24. Independent Family Shoe Stores — Balance Sheet Ratios as at December 31, 1952-58

	Unincorporated				Incorporated			
	1952	1954	1956	1958	1952	1954	1956	1958
Current ratio — Owned	3.88	3.41	3.60	4.74	—	—	—	—
Rented	3.21	3.39	3.53	3.64	2.62	2.40	3.20	3.64
Liquidity ratio — Owned	0.92	0.80	0.70	1.34	—	—	—	—
Rented	0.75	0.63	0.65	0.81	0.55	0.45	0.61	0.81
Working capital to net worth ratio — Owned	0.69	0.66	0.66	0.70	—	—	—	—
Rented	0.91	0.94	0.98	0.98	0.77	0.74	0.98	0.98
Worth debt ratio — Owned	2.45	1.98	2.28	2.49	—	—	—	—
Rented	2.10	2.09	1.82	1.73	2.01	1.64	1.35	1.73
Turnover of total capital employed — Owned	1.36	1.14	1.23	1.23	—	—	—	—
Rented	1.93	2.04	2.04	2.17	1.89	1.85	1.83	2.17

Note: See page 22 for definitions.

TABLE 25. Independent Family Shoe Stores—Operating Results of Unincorporated Stores by Annual Sales Volume and Occupancy Basis, 1958

Item	Owned stores with annual net sales of		Rented stores with annual net sales of				Total ¹
	\$20,000- \$49,999	\$50,000- \$99,999	\$10,000- \$19,999	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over	
Number of stores reporting	48	19	17	71	86	36	300
Average net sales per store	\$ 32,451	66,384	16,418	34,399	71,335	146,302	72,986
Average beginning inventory	\$ 15,218	23,925	9,436	14,531	25,112	38,687	24,813
Average inventory, end of year	\$ 15,294	22,895	9,291	14,420	24,829	38,172	24,379
Average cost of goods sold	\$ 23,380	48,094	11,508	24,425	49,909	99,979	51,140
Stock turnover (times per year)	1.53	2.05	1.23	1.69	2.00	2.60	2.08
Profit and loss data (Per cent of net sales)							
Gross profit	27.95	27.55	29.91	28.99	30.04	31.66	29.31
Operating expenses:							
Employees' salaries and wages (except delivery)	4.36	7.61	7.33	6.26	8.29	9.77	7.52
Delivery	0.30	0.29	0.26	0.22	0.39	0.21	0.27
Occupancy expenses:							
Taxes	1.24	0.76	0.79	0.47	0.44	0.41	0.70
Insurance	0.87	0.66	0.81	0.60	0.62	0.42	0.64
Rent	—	—	6.21	4.62	3.98	3.63	2.75
Heat, light and power	1.08	0.79	1.48	0.74	0.53	0.48	0.74
Repairs and maintenance	0.88	0.72	0.20	0.38	0.43	0.32	0.55
Depreciation allowances	1.12	1.23	0.63	0.61	0.56	0.51	0.74
Total occupancy expenses	5.19	4.16	10.12	7.42	6.56	5.77	6.12
Office and store supplies	0.53	0.39	0.54	0.64	0.41	0.53	0.49
Advertising	1.09	0.93	0.54	1.22	1.31	1.90	1.30
Net loss on bad debts	0.05	0.01	0.06	0.07	0.03	0.02	0.05
All other expenses	2.61	2.17	1.99	2.16	2.16	2.30	2.37
Total operating expenses	14.13	15.56	20.84	17.99	19.15	20.50	18.12
Net operating profit	13.82	11.99	9.07	11.00	10.89	11.16	11.19
Non-trading income	2.73	1.41	0.01	0.31	0.04	0.15	0.83
Non-trading expense	1.07	0.18	—	—	0.07	0.15	0.18
Net profit before deduction of proprietor's salaries and income tax	15.48	13.22	9.08	11.31	10.86	11.16	11.84

¹ Average and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.**TABLE 26. Independent Family Shoe Stores—Operating Results of Rented Incorporated Stores by Annual Sales Volume, 1958**

Item	Rented stores with annual net sales of			Total ¹
	\$20,000- \$49,999	\$50,000- \$99,999	\$100,000 and over	
Number of stores reporting	14	37	55	106
Average net sales per store	\$ 37,046	73,576	177,206	133,559
Average beginning inventory	\$ 19,210	26,167	55,483	43,483
Average inventory end of year	\$ 17,368	26,229	57,525	44,567
Average cost of goods sold	\$ 25,954	49,511	116,983	88,586
Stock turnover (times per year)	1.42	1.89	2.07	2.01
Profit and loss data (Per cent of net sales)				
Gross profit	29.94	32.71	33.98	33.21
Operating expenses:				
Executives' and employees' salaries and wages etc. (except delivery)	18.21	16.59	17.45	17.29
Delivery	0.39	0.25	0.26	0.27
Occupancy expenses:				
Taxes	0.78	0.34	0.46	0.46
Insurance	0.63	0.53	0.50	0.52
Rent	5.56	4.14	3.79	4.08
Heat, light and power	1.15	0.65	0.47	0.59
Repairs and maintenance	0.48	0.37	0.32	0.35
Depreciation allowances	0.58	0.82	0.64	0.68
Total occupancy expenses	9.18	6.85	6.18	6.68
Office and store supplies	0.46	0.38	0.59	0.52
Advertising	1.85	1.71	2.28	2.07
Net loss on bad debts	0.11	0.05	0.05	0.06
All other expenses	5.42	2.72	2.65	2.95
Total operating expenses	35.62	28.55	29.46	29.84
Net operating profit	5.68²	4.16	4.52	3.37
Non-trading income	1.23	0.17	0.29	0.35
Non-trading expense	—	0.09	0.06	0.06
Net profit before provision for income tax	4.45²	4.24	4.75	3.66

¹ Average and ratios "weighted" according to the 1951 Census weights of all sales sizes for independent stores.² Net operating loss.

TABLE 27. Independent Family Shoe Stores — Owned — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1958

Item	Stores with annual net sales of				Total all sizes \$20,000 and over
	\$20,000 — \$49,999			\$50,000- \$99,999	
	Under 10 years	10 years and over	Total		
average per store (dollars)					
Assets					
Current assets:					
Cash on hand and in bank	2,139	2,382	2,321	5,621	3,506
Accounts and notes receivable (net)	120	543	437	866	725
Merchandise inventory	15,702	15,475	15,532	22,895	21,612
Other current assets	110	4,671	3,531	1,434	4,251
Total current assets	16,071	23,071	21,821	30,816	30,094
Fixed assets (net):					
Used in the business	10,651	8,009	8,670	15,533	13,681
Not used in the business	683	1,877	1,578	1,009	2,396
Total fixed assets (net)	11,334	9,886	10,248	16,542	16,077
Other assets:					
Long term investments	—	989	742	862	1,493
Other assets	42	417	323	7	202
Total other assets	42	1,406	1,065	869	1,695
Total assets	29,447	34,363	33,134	48,227	47,866
Liabilities					
Current liabilities:					
Accounts and notes payable	5,041	4,170	4,387	6,292	6,348
Fixed liabilities:					
Mortgages on fixed assets used in the business	5,236	2,221	2,975	3,388	3,976
Mortgages on fixed assets not used in the business	—	65	49	261	101
Total fixed liabilities	5,236	2,286	3,024	3,649	4,077
Other liabilities	4,371	1,659	2,337	2,276	3,299
Total liabilities	14,648	8,115	9,748	12,217	13,724
Net worth: Proprietor's or partner's equity in the business	14,799	26,248	23,386	36,010	34,142
Total liabilities and net worth	29,447	34,363	33,134	48,227	47,866
Average net sales of stores reporting	33,192	32,474	32,654	66,384	54,184
Number of stores reporting	11	33	44	19	7

TABLE 28. Independent Family Shoe Stores — Rented — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1958

Item	Stores with annual net sales of							Total all sizes \$20,000 and over
	\$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		
average per store (dollars)								
Assets								
Current assets:								
Cash on hand and in bank	649	1,894	1,511	3,346	3,651	3,566	10,024	4,106
Accounts and notes receivable (net)	351	288	307	920	1,276	1,176	2,455	1,119
Merchandise inventory	15,321	13,913	14,346	22,391	25,318	24,497	38,172	23,582
Other current assets	542	1,661	1,318	995	1,024	1,016	3,224	1,557
Total current assets	16,863	17,756	17,482	27,652	31,269	30,255	53,875	30,364
Fixed assets (net):								
Used in the business	1,482	880	1,065	3,419	1,775	2,236	7,615	2,878
Not used in the business	719	1,701	1,399	140	114	121	2,441	1,032
Total fixed assets (net)	2,201	2,581	2,464	3,559	1,889	2,357	10,056	3,910
Other assets:								
Long term investments	—	579	401	223	149	170	2,961	801
Other assets	121	191	169	265	196	215	1,304	413
Total other assets	121	770	570	488	345	385	4,265	1,214
Total assets	19,185	21,107	20,516	31,699	33,503	32,997	68,196	35,488
Liabilities								
Current liabilities:								
Accounts and notes payable	6,271	4,323	4,923	11,153	7,505	8,529	14,145	8,353
Fixed liabilities:								
Mortgages on fixed assets used in the business	974	127	388	1,330	305	592	1,936	784
Mortgages on fixed assets not used in the business	108	489	371	—	—	—	389	208
Total fixed liabilities	1,082	616	759	1,330	305	592	2,325	992
Other liabilities	2,088	1,703	1,821	4,318	3,303	3,587	7,118	3,654
Total liabilities	9,441	6,642	7,503	16,799	11,113	12,708	23,588	12,999
Net worth: Proprietor's or partner's equity in the business	9,744	14,465	13,013	14,900	22,390	20,289	44,608	22,489
Total liabilities and net worth	19,185	21,107	20,516	31,699	33,503	32,997	68,196	35,488
Average net sales of stores reporting	35,714	34,844	35,112	72,544	70,444	71,033	146,302	73,081
Number of stores reporting	20	45	65	23	59	82	36	183

TABLE 29. Independent Family Shoe Stores — Rented — Financial Structure of Incorporated Stores by Size and Age of Business as at December 31, 1958

Item	Stores with annual net sales of							Total all sizes \$20,000 and over
	\$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	
average per store (dollars)								
Assets								
Current assets:								
Cash on hand and in bank	1,649	4,011	4,729	4,530	6,441	9,034	8,232	6,085
Accounts and notes receivable (net)	1,092	797	1,063	989	1,747	7,888	5,989	3,622
Merchandise inventory	17,369	23,250	27,437	26,274	39,330	65,664	57,525	41,456
Other current assets	4,797	1,496	527	796	3,329	4,208	3,937	2,975
Total current assets	24,907	29,554	33,756	32,589	50,847	86,794	75,683	54,138
Fixed assets (net):								
Used in the business	2,430	1,887	3,430	3,002	14,561	4,552	7,648	5,358
Not used in the business	138	284	106	155	99	683	488	328
Total fixed assets (net)	2,568	2,171	3,536	3,157	14,660	5,235	8,134	5,686
Other assets:								
Long term investments	107	60	722	538	4,285	5,842	5,355	3,004
Other assets	1,988	2,230	4,226	3,872	18,365	6,185	9,950	6,735
Total other assets	2,095	2,290	4,948	4,210	22,630	12,027	15,305	9,739
Total assets	29,570	34,015	42,240	39,956	88,137	104,036	99,122	69,563
Liabilities								
Current liabilities:								
Accounts and notes payable	9,029	12,801	9,148	10,183	29,309	21,602	23,984	17,251
Fixed liabilities:								
Mortgages on fixed assets used in the business	—	—	—	—	4,390	411	1,641	860
Mortgages on fixed assets not used in the business	—	—	—	—	—	—	—	—
Total fixed liabilities	—	—	—	—	4,390	411	1,641	860
Other liabilities	2,832	8,080	3,311	4,080	24,027	14,079	17,154	10,762
Total liabilities	11,861	18,881	12,459	14,243	57,726	36,092	42,779	28,873
Net worth:								
Capital stock	14,983	9,654	12,802	11,928	18,030	31,701	27,476	20,479
Surplus and undivided profits	2,728	5,480	18,979	13,785	12,381	36,243	28,867	20,211
Total net worth	17,709	15,134	29,781	25,713	30,411	67,944	56,343	40,690
Total liabilities and net worth	29,570	34,015	42,240	39,956	88,137	104,036	99,122	69,563
Average net sales of stores reporting	37,046	71,905	74,271	73,614	162,647	183,719	177,206	123,001
Number of stores reporting	14	10	26	36	17	38	55	105

DEFINITIONS

PROFIT AND LOSS

Items

Net sales — 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.

Purchases — are taken at invoice value less returns and allowances, cash and trade discounts. Added to the cost of merchandise are the following expenses: duty, inward freight, express and trucking, alterations, etc.

Cost of goods sold — determined by adding the beginning inventory to net purchases and deducting the ending inventory.

Gross profit — the difference between "cost of goods sold" and "net sales".

Operating expenses — all costs incurred in the year's operation of a business, except the cost of merchandise. These include:

Salaries and wages (except delivery) — payments to employees before deduction of income tax or unemployment insurance. Proprietors' salaries or withdrawals are included in "net operating profit" in unincorporated store operations.

Delivery — 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.)

Taxes — business, property and water taxes. Taxes collected for remittance to governmental bodies and income tax are not included.

Insurance — annual proportion of premiums for insurance policies carried to protect the business.

Rent — payments for use of business premises.

Heat, light and power — cost applicable to year's operations.

Repairs and maintenance — costs incurred to keep fixed store assets operating efficiently (excludes capital expenditure).

Store supplies — wrapping paper, office supplies, etc.

Advertising — displays, window dressing and sales promotion.

Net bad debt loss — estimated amount of uncollectable customers' accounts receivable less the amount recovered from former bad debts.

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

Net operating profit — is the difference between "total operating expenses" and "gross profit" and includes proprietors' salaries and withdrawals before income tax deductions.

Occupancy — the cost of maintaining and occupying a place of business and includes: rent, business and property taxes, insurance, heat, light and power, repairs and maintenance and depreciation.

Non-trading income — interest earned, revenues from rentals, other activities, carrying charges and investments.

Non-trading expense — interest expense, rental expense, any other expenses not pertaining to the business.

Ratios

Stock turnover — the number of times in a year that the average merchandise inventory is sold and replaced. The average of the beginning and ending inventories is divided into the cost of goods sold.

Note: Each of the following ratios are expressed as a percentage of "net sales". Consequently, it is permissible to make direct comparisons between these ratios. Each ratio represents a portion of the average net sales' dollar.

Gross profit ratio — sometimes referred to as the "gross margin ratio" or "mark-up" represents the difference between "cost of goods sold" and "net sales". It is the portion of the average sales' dollar from which the merchant meets his operating expenses and obtains his net operating profit.

Operating expense ratios — each item of expense, as well as "total operating expenses" when expressed as a percentage of "net sales" shows the amounts of the average sales' dollar required to operate the average business.

Net operating profit ratio — the remaining proportion of the average sales' dollar after "cost of goods sold" and "total operating expenses" have been deducted. From this amount, the percentage allowances for both proprietors' salaries and income tax should be deducted, in order to determine the percentage to sales of net returns on capital investment.

BALANCE SHEET

Asset Items

Cash on hand or in bank — the amount of cash in the business at the end of the year.

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

Merchandise inventory — 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 Dominion of Canada Bonds and prepaid insurance.

Fixed assets (net) — the cost 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 readily converted into cash and intangibles such as goodwill and organization costs.

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