

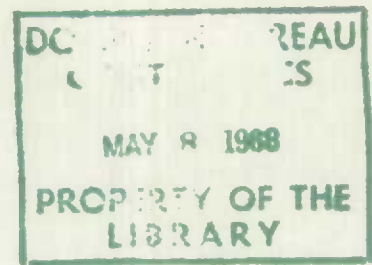
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OPERATING RESULTS AND FINANCIAL STRUCTURE RETAIL CLOTHING STORES

1960

(Independent)

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OPERATING RESULTS AND FINANCIAL STRUCTURE RETAIL CLOTHING STORES

(Independent)

1960

INTRODUCTION

This report is a continuation of the practice of the Dominion Bureau of Statistics to publish operating results and financial structure for selected trades primarily as a guide for retailers. The averages and ratios that are shown in this report can be used as a standard by which businessmen can compare their own operating experience. The pattern of expenditures and financial ratios by size and age of business permits direct analysis of operating results for the year. It should be borne in mind, however, that the averages and ratios as published in this report do not represent top performance guides. They are the "average" of a broad range of operational efficiencies.

This report is similar in content to the previous operating results reports issued for this trade. It is important to note that the data shown in this bulletin have been obtained from a co-operative panel of firms which are classified as clothing stores. An attempt is made in some tables to adjust these data in order to arrive at averages and ratios which are representative of the trades as a whole. These adjusted data are footnoted in various tables of the report. The remaining averages and ratios published in this report have not been weighted and therefore represent the averages and ratios obtained from a reporting panel of firms in each cell.

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

INDEPENDENT MEN'S CLOTHING STORES

For the purpose of this report, independent men's clothing stores are defined as follows: Retail establishments selling mainly men's and boys' ready-made clothing. These establishments may sell such men's and boys' accessories as hats, shoes, underwear, shirts, gloves etc., but the sales of these items may not exceed 80 per cent of total sales.

The results of this survey indicate that the gross profit for both unincorporated and incorporated men's clothing stores increased during 1960, reaching a high of 28.84 per cent and 31.47 per cent of total sales respectively.

The operating expenses for both the unincorporated and incorporated stores, however, increased

to a greater extent than the gross profit thereby decreasing the net operating profit in 1960 as compared to 1958. In both the unincorporated and incorporated sectors, the largest increase in operating expenses was in employees salaries which increased from 6.62 per cent of sales in 1958 to 6.85 per cent in 1960 for the unincorporated firms and 15.55 per cent in 1958 to 16.13 per cent in 1960 for the incorporated firms.

In summary, the net operating profit for unincorporated firms for 1960 was 9.46 per cent of net sales, a decrease of 0.93 from the 10.39 per cent registered in 1958. The net operating profit for incorporated firms also decreased from the 2.67 per cent in 1958 to 1.50 per cent in 1960.

TABLE 1. Independent Men's Clothing Stores - Operating Results for 1954 - 60

Item	Unincorporated				Incorporated			
	1954	1956	1958	1960	1954	1956	1958	1960
	per cent of net sales							
Gross profit	27.02	28.17	28.55	28.84	29.83	30.76	30.89	31.47
Operating expenses:								
Employees' salaries	6.43	6.20	6.62	6.85	15.75	14.90	15.55	16.13
Occupancy	5.74	5.92	5.90	6.66	6.09	5.85	6.01	6.28
Office and store supplies	0.58	0.60	0.56	0.55	0.67	0.64	0.65	0.98
Advertising	1.41	1.43	1.36	1.31	2.14	2.06	2.31	2.34
All other expenses	3.42	3.16	3.72	4.01	3.44	3.69	3.70	4.24
Total operating expenses	17.58	17.31	18.16	19.38	28.09	27.14	28.22	29.97
Net operating profit before deduction of proprietors' salaries and income tax, and addition of net non-trading income	9.44	10.86	10.39	9.46	1.74	3.62	2.67	1.50

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, 1954 - 60

Item	Unincorporated				Incorporated			
	1954	1956	1958	1960	1954	1956	1958	1960
Current ratio—Owned	3.09	3.46	4.12	2.98	1.89	3.99	3.40	3.92
Rented	3.12	2.99	2.96	2.76	2.88	3.01	2.73	2.77
Liquidity ratio—Owned	1.09	1.39	1.37	0.96	0.71	1.88	1.31	1.42
Rented	0.96	0.95	0.88	0.79	0.96	1.05	0.97	0.88
Working capital to net worth ratio—Owned	0.60	0.72	0.71	0.61	0.52	0.70	0.67	0.39
Rented	0.90	0.94	0.92	0.91	0.93	0.98	0.88	0.93
Worth debt ratio—Owned	2.30	2.00	2.16	1.90	1.06	1.52	1.47	2.21
Rented	1.86	1.60	1.55	1.49	1.37	1.22	1.36	1.30
Turnover of total capital employed—Owned	1.12	1.24	1.31	1.35	1.00	0.98	1.16	0.90
Rented	1.79	1.86	1.87	1.88	1.62	1.79	1.87	1.80

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, 1960

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	24	22	18	20	86	58	21	262
Average net sales per store	\$ 32,244	70,272	156,231	16,128	33,280	69,133	137,506	79,070
Average beginning inventory	\$ 14,370	24,492	48,450	8,480	13,545	24,684	41,335	26,616
Average inventory, end of year	\$ 13,950	24,277	49,759	8,152	13,177	24,521	40,370	26,381
Average cost of goods sold	\$ 22,931	51,145	110,714	11,203	23,152	49,468	98,391	56,399
Stock turnover (times per year)	1.62	2.10	2.25	1.35	1.73	2.01	2.41	2.13
Profit and loss data (Per cent of net sales)								
Gross profit	28.88	27.22	29.13	30.53	30.43	28.44	28.44	28.84
Operating expenses:								
Employees' salaries and wages, (except delivery)	6.70	6.51	9.02	2.12	4.90	7.18	8.70	6.85
Delivery	0.49	0.30	0.97	0.37	0.45	0.36	0.53	0.48
Occupancy expenses:								
Taxes	1.24	1.04	0.85	0.70	0.52	0.42	0.33	0.69
Insurance	0.79	0.83	0.73	1.12	0.87	0.80	0.71	0.81
Rent	—	—	—	6.99	5.56	3.82	3.36	2.93
Heat, light and power	1.22	0.91	0.75	2.00	0.93	0.68	0.51	0.87
Repairs and maintenance	0.62	0.82	0.65	0.42	0.37	0.46	0.40	0.51
Depreciation allowances	0.54	1.22	1.28	0.84	0.93	0.69	0.69	0.85
Total occupancy expenses	4.41	4.82	4.26	12.07	9.18	6.87	6.00	6.66
Office and store supplies	0.47	0.50	0.59	0.62	0.61	0.55	0.48	0.55
Advertising	0.60	1.11	1.73	0.74	1.19	1.53	1.58	1.31
Net loss on bad debts	0.06	0.29	0.35	0.49	0.17	0.35	0.49	0.34
All other expenses	2.91	3.53	3.30	3.46	3.55	3.02	2.87	3.19
Total operating expenses	15.64	17.06	20.22	19.87	20.05	19.86	20.65	19.38
Net operating profit	13.24	10.16	8.91	10.66	10.38	8.58	7.79	9.46
Non-trading income	2.53	1.03	1.50	0.52	0.47	0.27	0.38	0.84
Non-trading expense	1.45	0.37	0.14	—	0.12	0.09	0.16	0.29
Net profit before deduction of proprietors' salaries and income tax	14.32	10.82	10.27	11.18	10.73	8.76	7.99	10.01

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, 1960

Item	Owned stores	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	10	17	36	57	122
Average net sales per store	\$ 106,218	36,658	79,382	186,021	150,220
Average beginning inventory	\$ 36,411	16,165	31,061	53,660	46,357
Average inventory, end of year	\$ 32,763	16,700	30,270	56,203	46,761
Average cost of goods sold	\$ 73,066	25,331	55,391	125,801	102,602
Stock turnover (times per year)	2.11	1.54	1.81	2.29	2.20
Profit and loss data (Per cent of net sales)					
Gross profit	31.21	30.90	30.22	32.37	31.47
Operating expenses:					
Executives' and employees' salaries and wages, etc. (except delivery)	17.40	16.94	15.99	16.01	16.13
Delivery	0.18	0.31	0.37	0.33	0.30
Occupancy expenses:					
Taxes	1.25	0.62	0.55	0.49	0.61
Insurance	0.85	0.75	0.76	0.56	0.66
Rent	—	5.50	4.38	3.57	3.07
Heat, light and power	0.92	1.27	0.75	0.55	0.69
Repairs and maintenance	0.82	0.18	0.50	0.48	0.50
Depreciation allowances	1.10	0.32	0.62	0.74	0.75
Total occupancy expenses	4.94	8.64	7.56	6.39	6.28
Office and store supplies	1.58	0.59	0.63	0.62	0.98
Advertising	2.52	1.11	2.10	2.38	2.34
Net loss on bad debts	0.40	0.22	0.29	0.37	0.36
All other expenses	4.03	3.72	3.50	3.39	3.58
Total operating expenses	31.05	31.33	30.44	29.49	29.97
Net operating profit	0.16	0.63 ²	0.22 ²	2.88	1.50
Non-trading income	2.15	1.33	0.34	0.38	0.59
Non-trading expense	0.02	0.90	0.07	0.02	0.08
Net profit before provision for income tax	2.29	0.20 ²	0.05	3.24	2.01

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

TABLE 5. Independent Men's Clothing Stores — Owned — Financial Structure of Unincorporated Stores by Size of Business as at December 31, 1960

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.....	4,613	5,999	10,864	6,847
Accounts and notes receivable (net)	1,143	3,526	10,599	4,622
Merchandise inventory	14,102	24,277	49,759	27,628
Other current assets	1,441	688	3,162	1,666
Total current assets	21,299	34,490	74,384	40,763
Fixed assets (net):				
Used in the business	8,539	17,486	31,056	17,948
Not used in the business	2,228	5,320	5,932	4,332
Total fixed assets (net)	10,767	22,806	36,988	22,280
Other assets:				
Long term investments	1,188	3,302	7,256	3,621
Other assets	573	11	1,970	773
Total other assets	1,761	3,313	9,226	4,394
Total assets	33,827	60,609	120,598	67,437
Liabilities				
Current liabilities:				
Accounts and notes payable	5,424	9,907	29,217	13,657
Fixed liabilities:				
Mortgages on fixed assets used in the business	1,610	4,779	10,128	5,095
Mortgages on fixed assets not used in the business	—	1,039	2,545	1,867
Total fixed liabilities	1,610	5,818	12,673	6,962
Other liabilities	2,118	3,322	5,175	2,597
Total liabilities	9,152	19,047	47,065	23,216
Net worth: Proprietor's or partners' equity in the business	24,675	41,562	73,533	44,221
Total liabilities and net worth	33,827	60,609	120,598	67,437
Average net sales of stores reporting	32,864	70,272	156,231	80,420
Number of stores reporting	24	22	18	64

TABLE 6. Independent Men's Clothing Stores — Rented — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1960

Item	Stores with annual net sales of						\$100,000 and over	Total all sizes \$20,000 and over
	\$20,000-49,999			\$50,000-99,999				
	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	1,705	2,539	2,388	3,235	4,783	4,423	5,245	3,475
Accounts and notes receivable (net)	1,087	1,310	1,270	5,581	4,236	4,548	10,024	3,566
Merchandise inventory	11,837	13,284	13,023	27,604	23,575	24,511	40,370	20,633
Other current assets	109	1,051	880	548	1,855	1,552	1,289	1,169
Total current assets	14,738	18,184	17,561	36,968	34,449	35,034	56,928	28,843
Fixed assets (net):								
Used in the business	1,036	1,085	1,076	2,673	1,781	1,988	7,056	2,180
Not used in the business	173	1,503	1,262	115	979	778	6,343	1,760
Total fixed assets (net)	1,209	2,588	2,338	2,788	2,760	2,766	13,399	3,940
Other assets:								
Long term investments	—	510	418	891	154	325	46	337
Other assets	6	876	719	562	289	352	1,076	637
Total other assets	6	1,386	1,137	1,453	443	677	1,122	974
Total assets	15,953	22,158	21,036	41,209	37,652	38,477	71,449	33,757
Liabilities								
Current liabilities:								
Accounts and notes payable	5,647	6,152	6,061	14,297	12,441	12,872	21,219	10,434
Fixed liabilities:								
Mortgages on fixed assets used in the business	—	88	72	—	—	—	2,476	362
Mortgages on fixed assets not used in the business	—	323	264	—	242	186	1,452	393
Total fixed liabilities	—	411	336	—	242	186	3,928	755
Other liabilities	1,651	1,125	1,220	5,723	2,232	3,042	5,256	2,388
Total liabilities	7,298	7,688	7,617	20,020	14,915	16,100	30,403	13,577
Net worth: Proprietor's or partners' equity in the business	8,655	14,470	13,419	21,189	22,737	22,377	41,046	20,180
Total liabilities and net worth	15,953	22,158	21,036	41,209	37,652	38,477	71,449	33,757
Average net sales of stores reporting	32,935	33,412	33,326	74,410	67,661	69,228	137,506	59,565
Number of stores reporting	15	68	83	13	43	56	21	160

**TABLE 7. Independent Men's Clothing Stores – Owned – Financial Structure of Incorporated Stores
as at December 31, 1960**

Item	Total all sizes \$20,000 and over average per store (dollars)
Assets	
Current assets:	
Cash on hand and in bank	7,433
Accounts and notes receivable (net)	11,061
Merchandise inventory	37,579
Other current assets	2,735
Total current assets	58,808
Fixed assets (net):	
Used in the business	84,289
Not used in the business	1,215
Total fixed assets (net)	85,504
Other assets:	
Long term investments	2,797
Other assets	15,197
Total other assets	17,994
Total assets	162,306
Liabilities	
Current liabilities:	
Accounts and notes payable	14,992
Fixed liabilities:	
Mortgages on fixed assets used in the business	12,841
Mortgages on fixed assets not used in the business	—
Total fixed liabilities	12,841
Other liabilities	22,759
Total liabilities	50,592
Net worth:	
Capital stock	60,351
Surplus and undivided profits	51,363
Total net worth	111,714
Total liabilities and net worth	162,306
Average net sales of stores reporting	142,981
Number of stores reporting	11

**TABLE 8. Independent Men's Clothing Stores – Rented – Financial Structure of Incorporated Stores by Size and
Age of Business as at December 31, 1960**

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	3,286	2,380	4,080	3,497	8,621	7,806	8,045	5,839
Accounts and notes receivable (net)	1,797	7,891	5,465	6,297	18,758	18,207	18,368	11,875
Merchandise inventory	17,015	30,082	30,318	30,237	47,440	58,965	55,587	41,339
Other current assets	910	313	1,133	852	815	3,171	2,480	1,712
Total current assets	23,008	40,666	40,996	40,883	75,634	88,149	84,480	60,763
Fixed assets (net):								
Used in the business	1,809	3,989	2,861	3,248	4,048	8,944	7,509	5,241
Not used in the business	1,182	309	489	427	819	1,491	1,294	1,002
Total fixed assets (net)	2,991	4,298	3,350	3,675	4,867	10,435	8,803	6,243
Other assets:								
Long term investments	781	—	1,332	875	2,980	2,346	2,532	1,728
Other assets	1,587	4,540	3,836	4,078	9,577	5,163	8,457	4,917
Total other assets	2,368	4,540	5,168	4,953	12,557	7,509	8,989	6,643
Total assets	28,367	49,504	49,514	49,511	93,058	106,093	102,272	73,651
Liabilities								
Current liabilities:								
Accounts and notes payable	7,954	17,957	14,434	15,642	28,967	30,590	30,114	21,957
Fixed liabilities:								
Mortgages on fixed assets used in the business	—	—	—	—	116	—	34	18
Mortgages on fixed assets not used in the business	667	—	—	—	—	—	—	108
Total fixed liabilities	667	—	—	—	116	—	34	126
Other liabilities	6,509	9,043	4,138	5,820	17,092	12,161	13,606	10,000
Total liabilities	15,130	27,000	18,572	21,462	46,175	42,751	43,754	32,083
Net worth:								
Capital stock	8,664	16,408	18,586	17,839	16,325	28,157	24,689	19,930
Surplus and undivided profits	4,573	6,096	12,356	10,210	30,558	35,185	33,829	21,838
Total net worth	13,237	22,504	30,942	28,049	46,883	63,342	58,518	41,568
Total liabilities and net worth	28,367	49,504	49,514	49,511	93,058	106,093	102,272	73,651
Average net sales of stores reporting	37,372	80,385	79,346	79,702	178,579	187,673	185,008	127,862
Number of stores reporting	18	12	23	35	17	41	58	111

INDEPENDENT WOMEN'S CLOTHING STORES

For the purpose of this report, independent women's clothing stores are defined as follows: Retail establishments selling mainly women's ready-to-wear coats, suits and dresses, with or without women's accessories, such as hosiery, lingerie, millinery, etc. Establishments selling piece goods in excess of 50 per cent of total sales are excluded from this category. As well, those retail establishments that specialize in single lines such as millinery or furs are excluded.

The operating results for this trade are presented under two main categories—unincorporated and incorporated business establishments.

In the unincorporated sector, the gross profit of women's clothing stores increased to 29.92 per cent of net sales as compared to 28.78 per cent in

1958. The increase in gross profit, however, was more than offset by increases in operating expenses which rose from 20.26 per cent of net sales in 1958 to 21.82 per cent in 1960. The net operating profit before deduction of proprietors salaries and income tax declined to 8.10 per cent of net sales as compared to the 8.52 per cent—registered in 1958.

In the incorporated sector, the gross profit of women's clothing rose to 32.51 per cent of net sales as compared to 31.91 per cent in 1958. The operating expenses also increased—from 30.43 per cent in 1958 to 30.61 per cent in 1961—but the increase was not sufficiently large to offset the improvement in the gross profit ratio. The result was that the net operating profit for the incorporated women's clothing stores rose to 1.90 per cent of net sales in 1960 as compared to 1.48 per cent in 1958.

TABLE 9. Independent Women's Clothing Stores — Operating Results for 1954-60

Item	Unincorporated				Incorporated ¹			
	1954	1956	1958	1960	1954	1956	1958	1960
	per cent of net sales							
Gross profit	27.38	28.29	28.78	29.92	31.23	31.78	31.91	32.51
Operating expenses:								
Employees' salaries	8.09	7.78	7.54	8.49	16.57	15.85	17.02	16.75
Occupancy	6.44	6.49	7.15	7.55	7.08	7.02	6.94	7.21
Office and store supplies	0.66	0.69	0.73	0.71	0.77	0.83	0.88	0.87
Advertising	1.10	1.05	0.97	1.06	1.63	1.62	1.76	1.86
All other expenses	3.49	3.55	3.87	4.01	3.18	3.29	3.83	3.92
Total operating expenses	19.78	19.56	20.26	21.82	29.23	28.61	30.43	30.61
Net operating profit before deduction of proprietors' salaries and income tax, and addition of net non-trading income	7.60	8.73	8.52	8.10	2.00	3.17	1.48	1.90

¹ Covers only rented stores.

Notes: 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, 1954-60

Item	Unincorporated				Incorporated			
	1954	1956	1958	1960	1954	1956	1958	1960
Current ratio—Owned	2.66	2.95	2.55	2.82	—	—	—	—
Rented	2.17	2.71	2.51	2.31	2.32	2.76	2.29	2.37
Liquidity ratio—Owned	0.99	1.08	0.79	1.08	—	—	—	—
Rented	0.92	1.08	0.97	0.88	1.18	1.46	1.17	1.19
Working capital to net worth ratio—Owned	0.54	0.59	0.49	0.53	—	—	—	—
Rented	0.79	0.91	0.85	0.83	0.74	0.83	0.74	0.69
Worth debt ratio—Owned	1.96	1.69	2.14	2.45	—	—	—	—
Rented	1.18	1.16	1.20	1.12	1.49	1.56	1.38	1.26
Turnover of total capital employed—Owned	1.67	1.60	1.80	1.51	—	—	—	—
Rented	2.44	2.55	2.60	2.53	2.64	2.45	2.51	2.48

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, 1960

Item	Owned stores with annual net sales of			Rented stores with annual net sales of				Total ¹
	\$10,000-19,999	\$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	11	22	17	29	68	52	25	242
Average net sales per store	\$ 15,991	30,068	67,050	15,848	34,386	72,951	145,194	67,147
Average beginning inventory	\$ 9,934	11,179	20,224	5,528	9,345	15,092	20,729	13,952
Average inventory, end of year	\$ 9,244	11,015	20,063	5,485	9,603	15,945	21,229	14,370
Average cost of goods sold	\$ 12,049	21,296	46,901	10,954	24,320	50,212	101,501	46,939
Stock turnover (times per year)	1.26	1.92	2.33	1.99	2.57	3.24	4.84	3.31
Profit and loss data (Per cent of net sales)								
Gross profit	24.65	29.17	30.04	30.88	29.27	31.17	30.09	29.92
Operating expenses:								
Employees' salaries and wages, (except delivery)	3.36	7.63	9.22	3.90	7.03	9.72	11.51	8.49
Delivery	0.84	0.55	0.48	0.59	0.42	0.48	0.26	0.44
Occupancy expenses:								
Taxes	2.43	1.67	1.17	0.87	0.47	0.40	0.43	0.76
Insurance	0.79	0.99	1.10	0.82	0.67	0.72	0.48	0.75
Rent	—	—	—	7.70	5.35	4.30	4.13	3.65
Heat, light and power	1.97	1.46	0.89	1.25	0.80	0.68	0.53	0.90
Repairs and maintenance	0.78	1.11	0.67	0.55	0.40	0.66	0.56	0.64
Depreciation allowances	0.08	1.34	1.51	0.50	0.69	0.71	0.94	0.85
Total occupancy expenses	6.05	6.57	5.34	11.49	8.58	7.47	7.07	7.55
Office and store supplies	0.67	0.85	0.72	0.72	0.59	0.81	0.76	0.71
Advertising	0.78	0.60	1.42	1.00	0.69	1.17	1.48	1.06
Net loss on bad debts	0.15	0.21	0.11	0.05	0.02 ²	0.15	0.18	0.11
All other expenses	3.48	3.67	2.96	3.57	3.31	2.71	4.37	3.46
Total operating expenses	15.33	20.08	20.25	21.32	20.60	22.51	25.63	21.82
Net operating profit	9.32	9.09	9.79	9.56	8.67	8.66	4.46	8.10
Non-trading income	0.73	2.96	0.96	0.28	0.40	0.54	0.38	0.76
Non-trading expense	0.59	0.74	0.17	0.13	0.01	—	0.05	0.14
Net profit before deduction of proprietors' salaries and income tax	9.46	11.31	10.58	9.71	9.06	9.20	4.79	8.72

¹ Averages and ratios "weighted" according to the 1951 Census weights of the different sales sizes for independent stores.² Recovery of bad debts—excess of amount written off.

TABLE 12. Independent Women's Clothing Stores — Operating Results of Rented Incorporated Stores by Annual Sales Volume, 1960

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	20	37	77
Average net sales per store	\$ 33,863	76,626	194,003	154,180
Average beginning inventory	\$ 10,414	18,395	22,777	23,591
Average inventory, end of year	\$ 10,029	18,283	24,100	24,540
Average cost of goods sold	\$ 22,360	52,331	129,837	103,511
Stock turnover (times per year)	2.19	2.85	5.54	4.30
Profit and loss data (Per cent of net sales)				
Gross profit	33.97	31.71	33.07	32.51
Operating expenses:				
Executives' and employees' salaries and wages, etc. (except delivery)	19.01	15.19	17.35	16.75
Delivery	0.32	0.45	0.24	0.29
Occupancy expenses:				
Taxes	0.89	0.39	0.50	0.58
Insurance	0.65	0.58	0.54	0.60
Rent	8.02	4.75	3.55	3.73
Heat, light and power	0.95	0.72	0.54	0.68
Repairs and maintenance	0.46	0.60	0.72	0.62
Depreciation allowances	0.50	0.66	1.16	1.00
Total occupancy expenses	11.47	7.70	7.01	7.21
Office and store supplies	0.59	0.96	0.86	0.87
Advertising	1.06	1.67	1.82	1.86
Net loss on bad debts	0.07	0.03	0.18	0.14
All other expenses	3.22	3.78	2.98	3.49
Total operating expenses	35.74	29.78	30.44	30.61
Net operating profit	1.77 ²	1.93	2.63	1.90
Non-trading income	2.54	0.51	1.28	1.22
Non-trading expense	1.74	0.01	0.05	0.19
Net profit before provision for income tax	0.97 ²	2.43	3.86	2.93

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

TABLE 13. Independent Women's Clothing Stores — Owned — Financial Structure of Unincorporated Stores by Size of Business as at December 31, 1960

Item	Stores with annual net sales of		Total all sizes \$20,000 and over
	\$20,000 - 49,999	\$50,000 - 99,999	
	average per store (dollars)		
Assets			
Current assets:			
Cash on hand and in bank	1,978	3,890	3,249
Accounts and notes receivable (net)	1,097	1,805	1,746
Merchandise inventory	10,872	20,755	16,910
Other current assets	1,683	8,263	5,563
Total current assets	15,630	34,713	27,468
Fixed assets (net):			
Used in the business	9,084	16,630	14,876
Not used in the business	1,242	3,857	2,013
Total fixed assets (net)	10,326	20,487	16,889
Other assets:			
Long term investments	2,990	2,531	3,105
Other assets	—	122	45
Total other assets	2,990	2,653	3,150
Total assets	28,946	57,853	47,507
Liabilities			
Current liabilities:			
Accounts and notes payable	3,220	9,919	9,742
Fixed liabilities:			
Mortgages on fixed assets used in the business	1,805	2,722	2,275
Mortgages on fixed assets not used in the business	—	2,276	847
Total fixed liabilities	1,805	4,998	3,122
Other liabilities	582	1,641	909
Total liabilities	5,607	16,558	13,773
Net worth: Proprietor's or partners' equity in the business	23,339	41,295	33,734
Total liabilities and net worth	28,946	57,853	47,507
Average net sales of stores reporting	30,388	66,365	63,805
Number of stores reporting	20	16	43

TABLE 14. Independent Women's Clothing Stores — Rented — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1960

Item	Stores with annual net sales of						\$100,000 and over	Total all sizes \$20,000 and over
	\$20,000 - 49,999			\$50,000 - 99,999				
	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	2,754	3,824	3,556	2,143	3,067	2,854	4,036	3,378
Accounts and notes receivable (net)	1,675	1,627	1,639	2,962	3,824	3,625	8,168	3,496
Merchandise inventory	10,200	9,569	9,727	15,654	16,032	15,945	21,492	14,053
Other current assets	819	2,018	1,718	787	2,275	1,931	1,699	1,794
Total current assets	15,448	17,038	16,640	21,546	25,198	24,355	35,395	22,721
Fixed assets (net):								
Used in the business	1,167	2,155	1,908	2,924	2,677	2,734	8,064	3,270
Not used in the business	625	1,514	1,292	—	1,834	1,411	4,318	1,855
Total fixed assets (net)	1,792	3,669	3,200	2,924	4,511	4,145	12,382	5,125
Other assets:								
Long term investments	252	564	486	—	488	375	823	503
Other assets	547	312	371	848	495	577	3,210	934
Total other assets	799	876	857	848	983	952	4,033	1,437
Total assets	18,039	21,583	20,697	25,318	30,692	29,452	51,810	29,283
Liabilities								
Current liabilities:								
Accounts and notes payable	4,251	4,747	4,623	6,746	11,515	10,415	22,477	9,835
Fixed liabilities:								
Mortgages on fixed assets used in the business	252	505	441	—	473	364	2,084	694
Mortgages on fixed assets not used in the business	438	612	569	—	11	8	958	427
Total fixed liabilities	690	1,117	1,010	—	484	372	3,042	1,121
Other liabilities	1,517	1,448	1,465	3,292	3,409	3,382	5,481	2,866
Total liabilities	6,458	7,312	7,098	10,038	15,408	14,169	31,000	13,822
Net worth: Proprietor's or partners' equity in the business	11,581	14,271	13,599	15,280	15,284	15,283	20,810	15,461
Total liabilities and net worth	18,039	21,583	20,697	25,318	30,692	29,452	51,810	29,283
Average net sales of stores reporting	33,804	35,201	34,852	67,882	74,472	72,951	146,913	68,214
Number of stores reporting	16	48	64	12	40	52	24	140

TABLE 15. Independent Women's Clothing Stores - Rented - Financial Structure of Incorporated Stores by Size of Business as at December 31, 1960

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	2,589	3,211	10,745	7,143
Accounts and notes receivable (net)	1,636	3,879	14,924	9,411
Merchandise inventory	10,507	17,801	24,101	19,911
Other current assets	1,352	652	5,773	3,520
Total current assets	16,084	25,543	55,543	39,985
Fixed assets (net):				
Used in the business	1,357	4,586	10,054	6,957
Not used in the business	708	—	640	466
Total fixed assets (net)	2,065	4,586	10,694	7,423
Other assets:				
Long term investments	2,946	2,774	8,324	5,780
Other assets	3,996	5,173	8,182	6,582
Total other assets	6,942	7,947	16,506	12,362
Total assets	25,091	38,076	82,743	59,770
Liabilities				
Current liabilities:				
Accounts and notes payable	4,971	11,216	23,823	16,890
Fixed liabilities:				
Mortgages on fixed assets used in the business	—	308	587	404
Mortgages on fixed assets not used in the business	1,183	—	—	206
Total fixed liabilities	1,183	308	587	610
Other liabilities	3,932	10,762	9,649	8,977
Total liabilities	10,086	22,286	34,059	26,477
Net worth:				
Capital stock	8,532	7,579	14,477	11,444
Surplus and undivided profits	6,473	8,211	34,207	21,849
Total net worth	15,005	15,790	48,684	33,293
Total liabilities and net worth	25,091	38,076	82,743	59,770
Average net sales of stores reporting	36,130	76,626	194,003	132,525
Number of stores reporting	12	20	37	69

INDEPENDENT FAMILY CLOTHING STORES

For the purpose of this report, independent family clothing stores are defined as follows: Retail establishments selling mainly men's, women's and children's clothing and furnishings. Other items sold through these establishments may include piece goods, notions, house furnishings and footwear, but the total sales of such items must not exceed 50 per cent of total sales.

The presentation of operating results for family clothing stores is similar to that shown for the other trades in this report, that is, the operating results are shown for two main classifications—unincorporated and incorporated firms.

In the unincorporated category, family clothing stores registered a gross profit of 26.56 per cent of net sales in 1960 as compared to 27.12 per cent in 1958, a decrease of 0.56 per cent. The operating

expenses shown as a percentage of net sales also declined from the 18.67 per cent shown in 1958 to 18.04 per cent in 1960. The result was an increase in net operating profit (before deduction of proprietors' salaries and income tax and addition of net non-trading profit) of 0.07 per cent to 8.52 per cent of net sales.

In the incorporated sector of the trade, the gross profit registered for 1960 was 30.48 per cent of net sales as compared to 30.55 per cent in 1958, a decrease of 0.07 per cent. The operating expenses, on the other hand, increased by 0.30 per cent to 28.37 per cent as compared to 28.07 per cent registered in 1958. The result of the decrease in gross profit and increase in total operating expenses was a net profit of 2.11 per cent of net sales, a decrease of 0.37 per cent over the net profit of 2.48 per cent registered in 1958.

TABLE 16. Independent Family Clothing Stores — Operating Results for 1954 - 60

Item	Unincorporated				Incorporated			
	1954	1956	1958	1960	1954	1956	1958	1960
	per cent of net sales							
Gross profit	25.88	26.54	27.12	26.56	29.45	30.32	30.55	30.48
Operating expenses:								
Employees' salaries	7.27	7.14	7.41	6.95	15.73	15.71	15.30	15.92
Occupancy	5.38	5.50	6.01	6.02	4.97	4.78	5.09	4.84
Office and store supplies	0.55	0.55	0.54	0.49	0.89	0.81	0.90	0.80
Advertising	1.17	1.27	1.21	1.02	2.46	2.56	2.60	2.41
All other expenses	2.85	3.06	3.50	3.56	3.07	3.19	4.18	4.40
Total operating expenses	17.22	17.52	18.67	18.04	27.12	27.05	28.07	28.37
Net operating profit before deduction of proprietors' salaries and income tax and addition of net non-trading income	8.66	9.02	8.45	8.52	2.33	3.27	2.48	2.11

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, 1954 - 60

Item	Unincorporated				Incorporated			
	1954	1956	1958	1960	1954	1956	1958	1960
Current ratio—Owned	3.82	4.32	4.51	3.63	3.62	4.29	—	—
Rented	3.22	2.82	2.57	2.66	2.73	2.82	3.07	3.27
Liquidity ratio—Owned	1.46	1.47	1.51	1.20	1.40	1.48	—	—
Rented	0.94	1.18	0.96	0.80	1.12	1.18	1.56	1.61
Working capital to net worth ratio—Owned	0.64	0.66	0.70	0.74	0.75	0.79	—	—
Rented	0.91	0.98	0.99	1.27	0.95	0.98	0.97	0.99
Worth debt ratio—Owned	3.06	2.99	2.78	2.29	2.24	1.79	—	—
Rented	1.83	1.33	1.17	0.72	1.32	1.33	1.40	1.49
Turnover of total capital employed—Owned	1.28	1.32	1.29	1.33	1.58	1.51	—	—
Rented	1.91	1.83	1.97	1.80	1.85	2.02	1.89	1.84

Note: See page 22 for definitions.

TABLE 18. Independent Family Clothing Stores — Operating Results of Unincorporated Stores by Annual Sales Volume and Occupancy Basis 1960

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	\$20,000-49,999	\$50,000-99,999	\$100,000 and over	
Number of stores reporting	20	25	19	21	12	123
Average net sales per store	\$ 35,731	66,177	35,936	67,084	142,505	82,238
Average beginning inventory	\$ 19,547	25,691	15,537	24,459	44,904	28,656
Average inventory, end of year	\$ 18,667	24,245	15,092	24,793	44,325	28,313
Average cost of goods sold	\$ 26,666	49,212	25,824	49,815	102,865	60,004
Stock turnover (times per year)	1.40	1.97	1.69	2.02	2.31	2.11
Profit and loss data (per cent of net sales)						
Gross profit	25.37	25.63	28.13	25.74	27.82	26.56
Operating expenses:						
Employees' salaries and wages (except delivery)	4.72	7.90	5.41	7.11	9.52	6.95
Delivery	0.38	0.93	0.22	0.39	0.32	0.40
Occupancy expenses:						
Taxes	1.45	0.94	0.55	0.56	0.35	0.85
Insurance	1.26	0.93	0.93	0.95	0.89	0.93
Rent	—	—	4.04	2.81	3.32	1.99
Heat, light and power	1.30	0.92	0.93	0.72	0.42	0.91
Repairs and maintenance	0.61	0.65	0.43	0.48	0.31	0.50
Depreciation allowances	1.25	0.84	0.41	0.67	0.56	0.84
Total occupancy expenses	5.87	4.28	7.29	6.19	5.85	6.02
Office and store supplies	0.39	0.35	0.48	0.49	0.54	0.49
Advertising	0.43	1.09	0.58	1.06	1.65	1.02
Net loss on bad debts	0.76	0.06	0.32	0.34	0.96	0.47
All other expenses	2.92	2.77	3.42	2.79	2.68	2.69
Total operating expenses	15.47	17.38	17.72	18.37	21.52	18.04
Net operating profit	9.90	8.25	10.41	7.37	6.30	8.52
Non-trading income	1.08	1.35	0.65	0.19	0.27	1.04
Non-trading expense	—	0.52	0.01	0.01	0.04	0.28
Net profit before deduction of proprietors' salaries and income tax	10.98	9.08	11.05	7.55	6.53	9.28

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, 1960

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	10	10	12	12	10	57
Average net sales per store	\$ 271,621	65,306	143,859	306,361	589,082	285,224
Average beginning inventory	\$ 65,474	23,381	44,101	72,099	128,333	68,721
Average inventory, end of year	\$ 67,022	21,100	43,895	74,560	125,109	69,115
Average cost of goods sold	\$ 191,626	46,425	99,239	212,915	394,320	196,935
Stock turnover (times per year)	2.89	2.09	2.26	2.90	3.11	2.86
Profit and loss data (Per cent of net sales)						
Gross profit	29.45	28.91	31.02	30.50	33.06	30.48
Operating expenses:						
Executives' and employees' salaries and wages etc. (except delivery)	15.82	14.74	16.30	16.04	16.45	15.92
Delivery	0.24	0.29	0.74	0.20	0.24	0.27
Occupancy expenses:						
Taxes	0.76	0.50	0.36	0.47	0.35	0.55
Insurance	0.55	0.91	0.60	0.65	0.40	0.55
Rent	—	4.26	2.22	2.40	2.59	1.57
Heat, light and power	0.52	0.68	0.53	0.65	0.53	0.56
Repairs and maintenance	1.00	0.24	0.66	0.43	0.78	0.78
Depreciation allowances	0.95	0.65	0.60	0.62	0.89	0.85
Total occupancy expenses	3.78	7.24	4.97	5.42	5.54	4.84
Office and store supplies	0.65	0.41	0.58	0.95	1.08	0.60
Advertising	2.48	0.97	1.65	2.24	3.07	2.41
Net loss on bad debts	0.12	0.30	1.89	0.32	0.40	0.39
All other expenses	3.63	3.39	2.58	3.03	4.90	3.74
Total operating expenses	26.72	27.34	28.71	28.20	31.68	28.37
Net operating profit	2.73	1.57	2.31	2.30	1.38	2.11
Non-trading income	1.18	1.04	0.80	1.02	2.27	1.39
Non-trading expense	0.02	0.01	0.01	0.02	0.05	0.03
Net profit before provision for income tax	3.89	2.60	3.10	3.30	3.60	3.47

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, 1960

Item	Stores with annual net sales of		Total all sizes \$20,000 and over
	\$20,000- 49,999	\$50,000- 99,999	
	average per store (dollars)		
Assets			
Current assets:			
Cash on hand and in bank	3,357	5,381	5,057
Accounts and notes receivable (net)	2,424	3,793	4,227
Merchandise inventory	18,683	23,982	25,685
Other current assets	3,445	2,217	3,435
Total current assets	27,909	35,373	38,404
Fixed assets (net):			
Used in the business	7,574	10,996	12,760
Not used in the business	1,847	830	1,058
Total fixed assets (net)	9,421	11,826	13,818
Other assets:			
Long term investments	711	973	709
Other assets	2,055	—	751
Total other assets	2,766	973	1,460
Total assets	40,096	48,172	53,682
Liabilities			
Current liabilities:			
Accounts and notes payable	5,536	9,981	10,582
Fixed liabilities:			
Mortgages on fixed assets used in the business	2,467	1,729	2,359
Mortgages on fixed assets not used in the business	—	337	266
Total fixed liabilities	2,467	2,066	2,625
Other liabilities	3,340	3,727	3,111
Total liabilities	11,343	15,774	16,318
Net worth: Proprietor's or partners' equity in the business	28,753	32,398	37,364
Total liabilities and net worth	40,096	48,172	53,682
Average net sales of stores reporting	35,708	66,101	69,270
Number of stores reporting	19	24	54

TABLE 21. Independent Family Clothing Stores — Rented — Financial Structure of Unincorporated Stores by Size of Business as at December 31, 1960

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	3,055	2,497	4,583	3,161
Accounts and notes receivable (net)	3,459	6,930	13,190	7,240
Merchandise inventory	14,837	25,405	44,325	26,316
Other current assets	58	1,538	704	862
Total current assets	21,409	36,370	62,802	37,579
Fixed assets (net):				
Used in the business	2,585	1,726	7,362	3,307
Not used in the business	231	2,216	6,640	2,588
Total fixed assets (net)	2,816	3,942	14,002	5,895
Other assets:				
Long term investments	—	67	988	257
Other assets	290	310	955	453
Total other assets	290	377	1,943	710
Total assets	24,515	40,689	78,747	44,184
Liabilities				
Current liabilities:				
Accounts and notes payable	6,893	14,435	23,706	14,109
Fixed liabilities:				
Mortgages on fixed assets used in the business	—	162	8,375	2,005
Mortgages on fixed assets not used in the business	324	1,696	1,250	1,144
Total fixed liabilities	324	1,858	9,625	3,149
Other liabilities	1,629	10,833	13,294	8,392
Total liabilities	8,846	27,126	46,625	25,650
Net worth: Proprietor's or partners' equity in the business	15,669	13,563	32,122	18,534
Total liabilities and net worth	24,515	40,689	78,747	44,184
Average net sales of stores reporting	36,228	67,516	142,505	74,592
Number of stores reporting	17	23	12	52

TABLE 22. Independent Family Clothing Stores - Rented - Financial Structure of Incorporated Stores by Size and Age of Business as at December 31, 1960

Item	Stores with annual net sales of			Total all sizes \$20,000 and over
	\$100,000 and over		Total	
	Under 10 years	10 years and over		
	average per store (dollars)			
Assets				
Current assets:				
Cash on hand and in bank	12,349	10,393	11,083	9,294
Accounts and notes receivable (net)	94,939	32,639	54,627	42,273
Merchandise inventory	70,210	83,183	78,604	64,650
Other current assets	10,097	15,960	13,891	10,614
Total current assets	187,595	142,175	158,205	126,831
Fixed assets (net):				
Used in the business	15,256	12,535	13,495	10,800
Not used in the business	—	492	319	297
Total fixed assets (net)	15,256	13,027	13,814	11,097
Other assets:				
Long term investments	4,512	5,887	5,402	4,081
Other assets	12,594	6,109	8,398	7,154
Total other assets	17,106	11,996	13,800	11,235
Total assets	219,957	167,198	185,819	149,163
Liabilities				
Current liabilities:				
Accounts and notes payable	69,201	36,765	48,214	38,729
Fixed liabilities:				
Mortgages on fixed assets used in the business	1,666	—	588	633
Mortgages on fixed assets not used in the business	—	—	—	—
Total fixed liabilities	1,666	—	588	633
Other liabilities	32,663	20,590	24,851	20,425
Total liabilities	103,530	57,355	73,653	59,787
Net worth:				
Capital stock	45,171	36,765	39,731	32,875
Surplus and undivided profits	71,256	73,078	72,435	56,501
Total net worth	116,427	109,843	112,166	89,376
Total liabilities and net worth	219,957	167,198	185,819	149,163
Average net sales of stores reporting	422,812	282,714	332,160	266,613
Number of stores reporting	12	22	34	45

INDEPENDENT FAMILY SHOE STORES

For the purpose of this report, independent family shoe stores are defined as follows: Retail establishments 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 must not exceed 50 per cent of total sales made by the establishment.

In the unincorporated sector, independent family shoe stores obtained a gross profit of 30.05 per cent in 1960, as compared to 29.31 per cent in 1958, an increase of 0.74 per cent. The operating expenses, consisting of employees' salaries (7.69 per cent), occupancy expense (6.49 per cent and other charges totalled 19.07 per cent of net sales in 1960, an increase of 0.95 per cent as compared to

the 18.12 per cent registered in 1958. Since the increase in operating expenses offset the rise in gross profit, the net operating profit decreased by 0.21 per cent from the 11.19 per cent registered in 1958 to the 10.98 per cent established in 1960.

In the incorporated sector of the trade, gross profit was 34.08 per cent of total net sales, as compared to 33.21 per cent in 1958, an increase of 0.87 per cent. Operating expenses rose from 29.84 per cent registered in 1958 to 31.07 per cent in 1960, an increase of 1.23 per cent. The increase in operating expenses offset the rise in gross profit and resulted in a net operating profit of 3.01 per cent of net sales in 1960 a decrease of 0.36 per cent over 1958.

TABLE 23. Independent Family Shoe Stores — Operating Results for 1954-60

Item	Unincorporated				Incorporated ¹			
	1954	1956	1958	1960	1954	1956	1958	1960
	per cent of net sales							
Gross profit	27.77	29.43	29.31	30.05	31.49	33.49	33.21	34.08
Operating expenses:								
Employees' salaries	7.74	7.46	7.52	7.69	16.98	18.13	17.29	19.07
Occupancy	5.76	6.42	6.12	6.49	6.54	6.55	6.68	6.13
Office and store supplies	0.47	0.53	0.49	0.48	0.59	0.56	0.52	0.48
Advertising	1.10	1.31	1.30	1.38	1.99	2.16	2.07	1.99
All other expenses	2.48	2.46	2.69	3.03	2.90	3.00	3.28	3.40
Total operating expenses	17.55	18.18	18.12	19.07	29.00	30.40	29.84	31.07
Net operating profit before deduction of proprietors' salaries and income tax, and addition of net non-trading income	10.22	11.25	11.19	10.98	2.49	3.09	3.37	3.01

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, 1954-60

Item	Unincorporated				Incorporated			
	1954	1956	1958	1960	1954	1956	1958	1960
Current ratio—Owned	3.41	3.60	4.74	5.41	—	—	—	—
Rented	3.39	3.53	3.64	3.09	2.40	3.20	3.64	3.16
Liquidity ratio—Owned	0.80	0.70	1.34	1.33	—	—	—	—
Rented	0.63	0.65	0.81	0.58	0.45	0.61	0.81	0.78
Working capital to net worth ratio—Owned	0.66	0.66	0.70	0.71	—	—	—	—
Rented	0.94	0.98	0.98	0.92	0.74	0.98	0.98	0.87
Worth debt ratio—Owned	1.98	2.28	2.49	2.97	—	—	—	—
Rented	2.09	1.82	1.73	1.57	1.64	1.35	1.73	1.69
Turnover of total capital employed—Owned	1.14	1.23	1.23	1.18	—	—	—	—
Rented	2.04	2.04	2.17	2.29	1.85	1.83	2.17	2.01

Note: See page 22 for definitions.

TABLE 25. Independent Family Shoe Stores — Operating Results of Unincorporated Stores by Annual Sales Volume and Occupancy Basis, 1960

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	33	18	12	42	54	15	189
Average net sales per store	\$ 32,640	\$ 66,225	\$ 15,365	\$ 36,036	\$ 72,863	\$ 164,632	\$ 74,660
Average beginning inventory	\$ 17,382	\$ 27,894	\$ 7,607	\$ 15,811	\$ 25,179	\$ 38,129	\$ 23,771
Average inventory, end of year	\$ 17,214	\$ 26,904	\$ 7,490	\$ 15,690	\$ 24,715	\$ 36,718	\$ 23,065
Average cost of goods sold	\$ 23,720	\$ 46,812	\$ 10,291	\$ 25,007	\$ 51,349	\$ 113,319	\$ 51,956
Stock turnover (times per year)	1.93	1.71	1.36	1.59	2.06	3.03	2.22
Profit and loss data (Per cent of net sales)							
Gross profit	27.33	29.31	33.02	30.61	29.52	31.17	30.05
Operating expenses:							
Employees' salaries and wages (except delivery)	5.69	8.47	4.97	5.75	8.08	9.75	7.69
Delivery	0.40	0.30	0.35	0.33	0.32	0.21	0.28
Occupancy expenses:							
Taxes	1.48	1.11	1.49	0.46	0.37	0.34	0.81
Insurance	1.06	0.59	0.80	0.53	0.52	0.58	0.78
Rent	—	—	5.57	5.13	3.97	3.03	2.82
Heat, light and power	1.23	0.83	1.47	0.75	0.50	0.45	0.82
Repairs and maintenance	0.69	0.58	0.14	0.43	0.27	0.33	0.49
Depreciation allowances	0.86	1.37	0.52	0.61	0.58	0.47	0.77
Total occupancy expenses	5.32	4.58	10.99	8.01	6.31	5.20	6.49
Office and store supplies	0.50	0.38	0.71	0.68	0.49	0.37	0.48
Advertising	0.81	1.00	0.49	1.03	1.41	2.30	1.38
Net loss on bad debts	0.04	0.02	0.02	0.03	0.05	0.01	0.04
All other expenses	2.33	2.82	3.25	3.28	2.34	2.70	2.71
Total operating expenses	15.09	17.57	20.78	19.11	19.00	20.54	19.07
Net operating profit	12.24	11.74	12.24	11.50	10.52	10.63	10.98
Non-trading income	2.25	1.69	0.07	0.37	0.05	0.27	0.94
Non-trading expense	0.41	0.40	—	0.13	0.15	0.11	0.17
Net profit before deduction of proprietor's salaries and income tax ..	14.08	13.03	12.31	11.74	10.42	10.79	11.75

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, 1960

Item	Rented stores with annual net sales of		Total ¹
	\$50,000-99,999	\$100,000 and over	
Number of stores reporting	21	33	63
Average net sales per store	\$ 65,444	\$ 191,859	\$ 130,992
Average beginning inventory	\$ 24,675	\$ 55,139	\$ 43,931
Average inventory, end of year	\$ 24,620	\$ 55,037	\$ 41,786
Average cost of goods sold	\$ 44,157	\$ 125,106	\$ 85,544
Stock turnover (times per year)	1.79	2.27	2.00
Profit and loss data (Per cent of net sales)			
Gross profit	32.53	34.79	34.08
Operating expenses:			
Executives' and employees' salaries and wages etc. (except delivery)	16.49	18.24	19.07
Delivery	0.35	0.18	0.20
Occupancy expenses:			
Taxes	0.44	0.48	0.61
Insurance	0.58	0.58	0.60
Rent	4.09	3.79	3.22
Heat, light and power	0.54	0.44	0.63
Repairs and maintenance	0.42	0.38	0.40
Depreciation allowances	0.54	0.75	0.67
Total occupancy expenses	6.61	6.42	6.13
Office and store supplies	0.49	0.62	0.48
Advertising	1.38	2.57	1.99
Net loss on bad debts	0.13	0.09	0.10
All other expenses	3.91	3.26	3.10
Total operating expenses	29.36	31.38	31.07
Net operating profit	3.17	3.41	3.01
Non-trading income	0.09	0.34	0.18
Non-trading expense	0.04	0.13	0.07
Net profit before provision for income tax	3.22	3.62	3.12

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

TABLE 27. Independent Family Shoe Stores — Owned — Financial Structure of Unincorporated Stores by Size of Business as at December 31, 1960

Item	Stores with annual net sales of		Total all sizes \$20,000 and over
	\$20,000 - 49,999	\$50,000 - 99,999	
	average per store (dollars)		
Assets			
Current assets:			
Cash on hand and in bank	2,924	6,104	4,276
Accounts and notes receivable (net)	493	1,241	763
Merchandise inventory	17,716	26,904	21,258
Other current assets	2,903	329	1,884
Total current assets	24,036	34,578	28,181
Fixed assets (net):			
Used in the business	8,413	13,576	10,917
Not used in the business	2,778	2,669	2,680
Total fixed assets (net)	11,191	16,245	13,597
Other assets:			
Long term investments	2,044	734	1,510
Other assets	114	352	201
Total other assets	2,158	1,086	1,711
Total assets	37,385	51,909	43,489
Liabilities			
Current liabilities:			
Accounts and notes payable	3,685	7,739	5,206
Fixed liabilities:			
Mortgages on fixed assets used in the business	1,903	2,474	2,515
Mortgages on fixed assets not used in the business	318	534	393
Total fixed liabilities	2,221	3,008	2,908
Other liabilities	2,574	3,118	2,830
Total liabilities	8,480	13,865	10,944
Net worth: Proprietor's or partner's equity in the business	28,905	38,044	32,545
Total liabilities and net worth	37,385	51,909	43,489
Average net sales of stores reporting	32,266	66,225	46,532
Number of stores reporting	29	18	48

TABLE 28. Independent Family Shoe Stores — Rented — Financial Structure of Unincorporated Stores by Size and Age of Business as at December 31, 1960

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	971	1,874	1,596	4,102	2,463	2,989	8,270	3,222
Accounts and notes receivable (net)	829	875	861	659	1,250	1,060	1,035	984
Merchandise inventory	16,265	16,072	16,132	23,246	25,814	24,991	36,718	23,406
Other current assets	807	824	819	1,861	1,098	1,342	1,910	1,231
Total current assets	18,872	19,645	19,408	29,868	30,625	30,382	47,933	28,843
Fixed assets (net):								
Used in the business	1,754	617	967	2,529	1,911	2,109	6,590	2,321
Not used in the business	2,565	3,685	3,340	368	9	124	2,311	1,603
Total fixed assets (net)	4,319	4,302	4,307	2,897	1,920	2,233	8,901	3,924
Other assets:								
Long term investments	—	22	15	942	—	302	7,246	1,171
Other assets	586	5	184	1,332	358	671	1,161	562
Total other assets	586	27	199	2,274	358	973	8,407	1,733
Total assets	23,777	23,974	23,914	35,039	32,903	33,588	65,241	34,500
Liabilities								
Current liabilities:								
Accounts and notes payable	6,088	4,198	4,780	9,375	10,022	9,814	19,516	9,339
Fixed liabilities:								
Mortgages on fixed assets used in the business	532	667	625	2,714	490	1,203	973	960
Mortgages on fixed assets not used in the business	—	348	241	320	—	103	—	139
Total fixed liabilities	532	1,015	866	3,034	490	1,306	973	1,099
Other liabilities	2,721	2,045	2,253	5,213	1,742	2,856	5,191	2,964
Total liabilities	9,341	7,258	7,899	17,622	12,254	13,976	25,680	13,402
Net worth: Proprietor's or partner's equity in the business	14,436	16,716	16,015	17,417	20,649	19,612	39,561	21,098
Total liabilities and net worth	23,777	23,974	23,914	35,039	32,903	33,588	65,241	34,500
Average net sales of stores reporting	38,014	35,522	36,289	76,314	71,706	73,184	164,632	72,556
Number of stores reporting	12	27	39	17	36	53	15	107

TABLE 29. Independent Family Shoe Stores—Rented—Financial Structure of Incorporated Stores by Size and Age of Business as at December 31, 1960

Item	Stores with annual net sales of				Total all sizes \$20,000 and over
	\$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	4,883	8,130	11,763	10,694	7,837
Accounts and notes receivable (net)	3,770	3,547	3,342	3,403	3,318
Merchandise inventory	24,620	58,705	53,355	54,928	41,615
Other current assets	527	5,146	3,855	4,235	2,588
Total current assets	33,800	75,528	72,315	73,260	55,358
Fixed assets (net):					
Used in the business	2,390	13,784	6,837	8,880	5,925
Not used in the business	216	—	340	240	212
Total fixed assets (net)	2,806	13,784	7,177	9,120	6,137
Other assets:					
Long term investments	766	1,000	5,115	3,904	2,480
Other assets	1,472	6,960	8,526	8,066	5,279
Total other assets	2,238	7,960	13,641	11,970	7,759
Total assets	38,644	97,272	93,133	94,350	69,254
Liabilities					
Current liabilities:					
Accounts and notes payable	8,947	32,155	20,221	23,731	17,539
Fixed liabilities:					
Mortgages on fixed assets used in the business	33	796	—	234	144
Mortgages on fixed assets not used in the business	—	—	—	—	—
Total fixed liabilities	33	796	—	234	144
Other liabilities	4,209	23,767	5,388	10,793	8,062
Total liabilities	13,189	56,718	25,609	34,758	25,745
Net worth:					
Capital stock	11,120	20,451	22,000	21,545	16,862
Surplus and undivided profits	14,335	20,103	45,524	38,047	26,847
Total net worth	25,455	40,554	67,524	59,592	43,509
Total liabilities and net worth	38,644	97,272	93,133	94,350	69,254
Average net sales of stores reporting	65,444	200,600	185,219	189,743	133,636
Number of stores reporting	21	10	24	34	60

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.

Turnover of total capital employed – Net Sales ÷ Total Assets used in the business – provides an indication of the degree of management efficiency. However, this ratio should not be used alone because “profits” and not “sales” are the major criterion of efficiency.

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