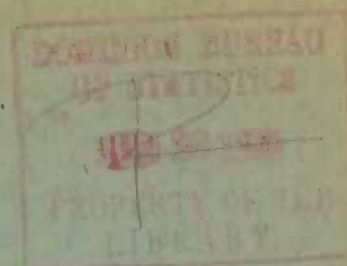


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Minister of Trade and Commerce



**MERCHANDISING AND SERVICES STATISTICS**

**DOMINION BUREAU OF STATISTICS**

**OTTAWA, CANADA**

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**OPERATING RESULTS**  
**OF**  
**RETAIL FOOD STORES**  
**1945**

---

**Independent:**

**GROCERY STORES**

**COMBINATION STORES**

**MEAT STORES**

**FRUIT and VEGETABLE STORES**

**CONFECTIONERY STORES**



**CANADA**

**MAY, 1947**

**PRICE 25 CENTS**

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## DEFINITIONS

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returned by customers are deducted from gross sales, but sales of meals or lunches provided employees and any goods withdrawn by the proprietor for personal use are included.

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

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

Salaries and wages paid to employees before deduction of income taxes or unemployment insurance. Proprietors' salaries or withdrawals are not included.

Advertising

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

Loss on bad debts in the year - amount written off less bad debts recovered.

Taxes and insurance - business, property and water taxes, licences including truck licences, insurance premiums carried for the protection of the business. Income taxes are not included.

Rentals - for premises used only in the business.

Heat, light and power used in the year.

Repairs and maintenance - incurred for the purpose of keeping fixed store assets in efficient operation, including delivery equipment.

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

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

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

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

CUSTOMERS' ACCOUNTS OUTSTANDING are all accounts receivable on the books at the end of the year.



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### OPERATING RESULTS OF RETAIL FOOD STORES, 1945

#### Introduction

This report is one of a series reviewing average operating results for 1945 and covers five main kinds of food stores. In 1944 a similar survey was carried out for a dual purpose; to provide an estimate of the contribution made to the national income by unincorporated retail stores, and to provide reliable statistics on operating costs in retail trade. The average results presented in this report were obtained from unincorporated stores whose individual profits and expenses vary considerably. Therefore, if the results of an individual store do not coincide with the averages, it does not follow that the store is being operated inefficiently. The tables, however, may assist the merchant in deciding where economies may be most effective and may indicate the need for additional expenditures in other phases of business operation.

The ultimate objective of business is to realize a net profit on operations. This might be the first item of comparison an individual owner makes with his own operating results. If his net profit is greater than the average shown for his particular business in this report, he may gain further by an item-by-item comparison of his operating costs with those in the tables. If his net profit is smaller than average, a careful check should be made on his different expense items, using the averages shown as a guide in determining which items require investigation. In this way improvement in gross margin or a lessening of expenses may be accomplished to result in a greater net profit.

The prospective new entrant may find much information useful in planning his inventory outlay, expected rate of stock turnover, expense requirements and in keeping a check on gross margin and net profits during the early stages of business activity.

Definitions of the terms used in this report and the components of the different expense items are given on page 2. When making comparison with other results, allowance should be made for any difference in definitions. Due to the lapse of time, allowance should also be made for any economic changes which have occurred since 1945 when making comparisons of present day results with this report. Returns received from incorporated firms were too few in number to be shown. Chain stores were not included in this survey.

### SUMMARY

Some of the facts concerning the operation of retail food stores in 1945 worthy of particular comment are noted below.

#### Grocery Stores

1. On the average, grocery stores in 1945 operated on a gross margin which amounted to 14.1 per cent of total net sales. Total operating expenses were 8.0 per cent leaving a net profit of 6.1 per cent which was slightly less than the average net profit realized in 1944. (See table 1).
2. As the volume of business increased, the ratio of net profits to sales in grocery stores followed a downward trend. This apparent loss was compensated for by an increased rate of stock turnover on a larger volume of business. Salaries and wages paid to employees followed a definite upward trend as the size of business increased. Occupancy costs decreased in ratio to sales volume and the other items remained fairly constant. (See table 6, page 14 and chart 1).

These general relationships held for all types of food stores in this survey.

3. Rented stores in all business-size brackets maintained a greater gross margin than did owned stores. The greater expense costs in rented premises offset the marginal advantage to result in net profit ratios close to those in owned stores. (See table 6, page 14 and chart 1).
4. Generally, both gross and net profits were greater in large than in small localities. Advertising expense and rentals formed a greater proportion of net sales in the largest localities, while other expenses showed little difference in relation to locality size. (See table 8, pages 20-23).
5. Grocery stores providing delivery service operated on a wider gross margin than stores not providing such service. Delivery expenses - reflected in greater ratios to net sales of salaries, store supplies, repairs and maintenance, which include truck expense - more than balanced the increase in mark-up so that net profits of "delivery" stores were less than those for "no delivery" stores. (See table 9, pages 24, 25).
6. Narrow gross margin and high ratio of salary expense to net sales characterized the "less profitable" group of establishments. (See table 10, page 26).



Table 1. - Operating Results of Grocery Stores, 1945  
(With 1944 percentages for comparison)

Item	1945 (1,594 stores reporting)		1944 (310 stores reporting)
	Average dollar figures	Percentage of net sales	Percentage of net sales
	\$	%	%
Average net sales .....	32,356	100.0	100.0
Gross trading profit .....	4,562	14.1	14.2
Operating expenses:			
Employees' salaries .....	1,097	3.4	3.3
Advertising .....	48	0.1	0.1
Store supplies .....	258	0.8	4.5
Bad debts .....	44	0.1	
Occupancy expense .....	817	2.6	
All other expenses .....	316	1.0	
Total operating expenses ....	2,580	8.0	7.9
Net profits before deduction of proprietors' salaries and income tax .....	1,982	6.1	6.3

#### Combination Grocery and Meat Stores

1. In 1945 the average combination store operated on a gross margin of 14.9 per cent which was slightly less than the margin realized in 1944. Higher expenses of 9.9 per cent on this smaller margin netted a profit of 5.0 per cent as compared to the 5.8 per cent net profit in 1944.

Although combination stores in 1945 showed a wider margin than grocery stores, the greater salary expense resulted in a lower average net profit - 5.0 per cent - as compared to the average grocery store net profit of 6.1 per cent. (See table 2).

2. Like grocery stores, net profits in combination stores in 1945 decreased in ratio to net sales as the volume of business expanded, due to the increased cost of salaries in large stores. The larger volume of business done and the increased rate of stock turnover offset the lower net profit percentage in large stores to show greater dollar net earnings. (See table 11, page 30).
3. Rented stores operated on wider gross margins than did owned stores. The greater expense ratios in these stores, however, resulted in net profits close to that recorded in owned stores. (See table 11, page 30).
4. While combination stores in the largest localities operated on a wider gross margin than those in rural and small urban communities, expense items such as salaries and rent were likewise greater. (See table 12, pages 31-34).

5. As in grocery stores, combination stores extending delivery service showed greater gross trading profits which were offset by greater expenses necessary to maintain the service. (See table 13, pages 35, 36).
6. Narrow gross margin and high proportionate salary expense were typical of less profitable combination stores, as was true of grocery stores. (See table 14, page 37).

Table 2.--Operating Results of Combination Stores, 1945  
(With 1944 percentages for comparison)

Item	1945 (926 stores reporting)		1944 (175 stores reporting)
	Average dollar figures	Percentage of net sales	Percentage of net sales
	\$	%	%
Average net sales .....	56,956	100.0	100.0
Gross trading profit .....	8,477	14.9	15.2
Operating expenses:			
Employees' salaries .....	2,966	5.2	4.6
Advertising .....	91	0.2	0.2
Store supplies .....	583	1.0	4.6
Bad debts .....	80	0.1	
Occupancy expense .....	1,382	2.4	
All other expenses .....	547	1.0	
Total operating expenses ....	5,649	9.9	9.4
Net profits before deduction of proprietors' salaries and income tax .....	2,828	5.0	5.8

#### Meat Markets

1. The average meat market operated on a wider margin in 1945 than grocery and combination stores, the respective ratios to net sales being 16.9 per cent, 14.1 per cent and 14.9 per cent.

Greater expenses resulted in a net profit of 6.0 per cent of sales, nearly the same as that for grocery stores while combination store net profits fell to 5.0 per cent of net sales. There was little change in meat market profits and expenses from 1944. From results of similar surveys in both 1938 and 1944 combination store net profit ratios, before deduction of proprietors' salaries, were also shown as lower than grocery stores or meat markets.

A survey carried out by Dun and Bradstreet Inc. for similar types of stores in the United States in 1939 shows that combination stores realized slightly better net profits than grocery stores and meat markets. (See table 3).



2. Like grocery and combination stores, larger meat markets show greater net earnings, although the net profit percentages are lower. More rapid stock turnover and greater volume of business makes this situation possible. (See table 15, page 41).
3. Stores operated in rented premises did so on a greater gross margin than owned stores, and in general, maintained this advantage to enjoy greater net profits. (See table 15, page 41).

Table 3. - Operating Results of Meat Markets, 1945  
(With 1944 percentages for comparison)

Item	1945 (475 stores reporting)		1944 (182 stores reporting)
	Average dollar figures	Percentage of net sales	Percentage of net sales
	\$	%	%
Average net sales .....	46,403	100.0	100.0
Gross trading profit .....	7,841	16.9	17.1
Operating expenses:			
Employees' salaries .....	2,515	5.4	5.4
Advertising .....	55	0.1	0.1
Store supplies .....	624	1.3	5.4
Bad debts .....	41	0.1	
Occupancy expense .....	1,242	2.7	
All other expenses .....	584	1.3	5.6
Total operating expenses .....	5,061	10.9	11.1
Net profits before deduction of proprietors' salaries and income tax .....	2,780	6.0	6.0

Fruit and Vegetable Stores, Confectionery Stores

1. The average fruit and vegetable store operated on a margin of 16.0 per cent as compared to 16.4 per cent gross profit in 1944. A decrease in expenses in 1945 resulted in a similar net profit ratio of 6.6 per cent for both years. (See table 4).
2. The average confectionery store improved its gross margin of 19.5 per cent in 1944 to reach 20.7 per cent of net sales in 1945. Expenses were also greater in 1945. Net profit ratios were; 1945, 10.1 per cent and 1944, 9.6 per cent, the highest in all types of food stores. Because of a smaller volume of business the higher net profit ratio actually resulted in lowest average net earnings in all food stores. (See table 5).
3. In common with other food stores, gross profits in fruit and vegetable stores and confectionery stores diminished in ratio to net sales as business volume increased. Although the larger stores operated on a lower net profit percentage, because of business volume the dollar value of net earnings was greater than in the smaller stores. (See tables 16 and 17, pages 42 and 43).



Table 4. - Operating Results of Fruit and Vegetable Stores, 1945  
(With 1944 percentages for comparison)

Item	1945 (260 stores reporting)		1944 (105 stores reporting)
	Average dollar figures	Percentage of net sales	Percentage of net sales
	\$	%	%
Average net sales .....	38,958	100.0	100.0
Gross trading profit .....	6,226	16.0	16.4
Operating expenses:			
Employees' salaries .....	1,332	3.4	3.5
Advertising .....	32	0.1	0.1
Store supplies .....	633	1.6	6.2
Bad debts .....	13	(a)	
Occupancy expenses .....	1,271	3.3	
All other expenses .....	393	1.0	
Total operating expenses ....	3,674	9.4	9.8
Net profits before deduction of proprietors' salaries and income tax .....	2,552	6.6	6.6

(a) Less than 0.05 per cent.

Table 5. - Operating Results of Confectionery Stores, 1945  
(With 1944 percentages for comparison)

Item	1945 (301 stores reporting)		1944 (165 stores reporting)
	Average dollar figures	Percentage of net sales	Percentage of net sales
	\$	%	%
Average net sales .....	18,582	100.0	100.0
Gross trading profit .....	3,249	20.7	19.5
Operating expenses:			
Employees' salaries .....	568	3.6	3.2
Advertising .....	18	0.1	0.1
Store supplies .....	116	0.7	6.6
Bad debts .....	13	0.1	
Occupancy expenses .....	794	5.1	
All other expenses .....	152	1.0	
Total operating expenses ....	1,661	10.6	9.9
Net profits before deduction of proprietors' salaries and income tax .....	1,588	10.1	9.6

## GENERAL DISCUSSION AND TABLES

### A. Grocery Stores

Some of the stores included in this category handle commodities other than groceries but to remain in the grocery store classification the percentage of other goods sold must be small. After careful editing of the returns received, 1,594 usable reports from independent unincorporated stores were tabulated to produce the results shown in the following tables.

A breakdown by size of business is considered essential in presenting operating results in retail stores. As no attempt has been made to estimate a rent equivalent in owned stores, the five size brackets are further divided as to businesses operating in owned premises and those operating in rented premises. This division is carried out in all supplementary tables which bring out other comparisons and aspects in the operation of grocery stores.

In all tables shown, net profits include proprietors' salaries and withdrawals. Due to the inconsistent manner in reporting this item by the contributing stores, a proper estimate of proprietors' salaries could not be made. As indicated, net profits are before income taxes have been paid.

#### Trends by Size of Business (Table 6 page 14)

Chart 1 clearly indicates a consistent decrease in gross profit, as a percentage of net sales, in owned stores as the size of business becomes greater. This trend was not the case with rented stores in which the gross margin was 17.7 per cent for small units but was stable at a figure slightly over 14 per cent for other sizes of business.

The increasing ratio of salaries more than offset the decrease in rent percentage so that total expenses formed a greater percentage of net sales in the larger than they did in the smaller stores. Deducted from gross profit this resulted in a diminishing proportion of net profits in the larger stores.

Due to the difference in the volume of business, however, the smaller net profit ratios in large stores mean greater dollar value. In comparing this dollar value of average store net earnings, account must be taken of the number of proprietors actively engaged in the businesses of the respective groups in relation to the number of reporting stores.

Seven of the ten groups show a better inventory position at the end of the year than at the beginning, large stores in general carrying proportionately larger inventory value.



Comparison with Previous Years (Chart 1, page 13)

A survey on operating costs was taken for the year 1938 as well as for 1944 in which 1941 results were also obtained. The size of business ranges were not the same in every case so that some years are omitted from certain size categories. The main profit and expense items available on a comparable basis for 1938, 1941, 1944 and 1945 are shown in Chart No. 1 on page .

Comparison by Economic Regions (Table 7, pages 15-19)

There was a sufficiently large enough number of reporting grocery stores to allow a regional breakdown for most size and occupancy groups. In a few cases the number of stores was too small to allow publication of results. Of the economic regions, Quebec showed greatest divergence from average figures. In addition to bringing out trends in the various regions of the country, a merchant is able to make comparison of his own operating experience with the average for his own region.

Trends by Size of Locality (Table 8, pages 20-23)

In Table 8 operating results for owned and rented grocery stores in each of four size-of-business groups are shown in comparable form for four different size of locality ranges. In some instances the sample number of stores was too small to allow publication of results and for this reason the entire class of stores with annual sales of \$100,000 or over is not shown.

With minor exceptions, the average inventory decreased as the size of locality increased, resulting in a greater stock turnover rate for stores in the larger cities as compared to those situated in localities having less than 10,000 population. There was a considerable variation in the gross profit ratio between the different sizes of locality. In general, the largest sized locality group showed higher gross profit than the smallest group. The two middle locality classes had gross profit percentages higher in some instances and lower in others than those for the smallest size of locality.

Advertising as a percentage of sales had a higher ratio in the two largest size-of-business groups. Rent expense, with minor exceptions, followed a regular rate of increase as the size of locality increased. This same pattern was reflected in total occupancy costs for rented stores. Owned stores followed no regular pattern in occupancy costs when comparing different-sized localities within the respective sales size classes. The other expense items displayed no trends of special significance.

Net earnings before deduction of proprietors' salaries and income taxes, as well as the average net earnings per store, were similar to the trend of gross profit. In most cases, the largest locality class had greatest net earnings, and the middle locality groups fluctuated above and below the lower net earnings of the smallest locality class.

Comparison Between Stores Providing Delivery Service and Those Not Providing Such Service (Table 9, pages 24, 25)

Table 9 shows comparisons between grocery stores extending delivery service and those not doing so for each size and occupancy group, where possible. A small number of reporting stores failed to answer the question and are not included in either category. This table allows a merchant to make a better comparison of his delivery expense which is spread over salaries, supplies (gas and oil) taxes (truck licence), repairs and depreciation. In this table, occupancy costs were indicated as generally higher for "delivery" stores but it should be pointed out that these expense items include repairs, maintenance and depreciation on delivery equipment and were therefore not strictly true occupancy expense. It is interesting to note the trend toward the higher proportion of stores extending delivery service as the size of business increased.

The higher mark-up in stores extending delivery service was reflected in consistently greater gross profits for those stores as compared to "no delivery" stores. Salaries and store supplies which included gas and oil used in delivery trucks, were generally greater for "delivery" stores.

Except for the owned stores whose annual sales were less than \$10,000, the greater gross profit of "delivery" stores was more than offset by greater operating expenses, so that net earnings before proprietors' salaries or income taxes were withdrawn, were less for "delivery" stores than for the other class.

Comparison Between Less Profitable and More Profitable Stores (Table 10, page 26)

In Table 10, the stores reporting were classified as below and above the average net earnings for each size of business and occupancy group. Only where it was possible to obtain a large enough sample in both profit groups have results been presented. If a merchant falls within the less profitable range, he can compare his expenses with the average of the more profitable stores to see what items show greatest deviation.



Aside from the basic difference in net profits, the most notable difference between the two classes of stores was in gross profit, reflecting a relatively higher cost of goods sold in the less profitable stores, but expenses, particularly for salaries, accounted for a greater share of the difference in three of the size and occupancy groups. To avoid repetition, some expense items have been omitted where the two profit categories did not show any significant difference from the results of Table 6. The number of actively engaged proprietors in the respective classes is comparable and does not require any special comment.

CHART I

# OPERATING RESULTS OF RETAIL GROCERY STORES, 1945

GROSS MARGIN = NET PROFIT + SALARIES + OTHER EXPENSES

PERCENTAGE  
OF NET SALES

PERCENTAGE  
OF NET SALES

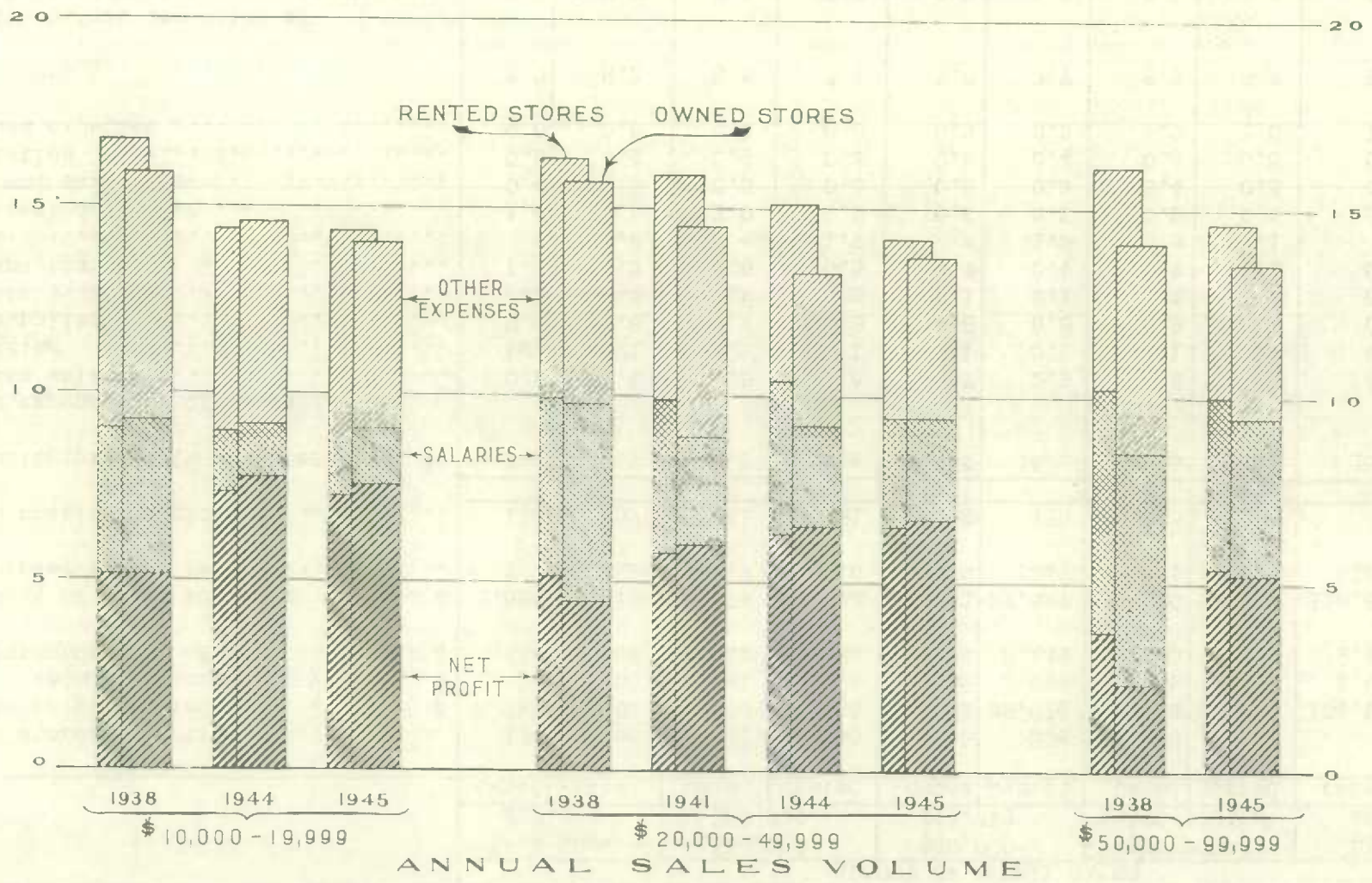




Table 6.--Grocery Stores - Operating Results Classified According to Amount of Annual Sales  
and Occupancy Basis, Canada, 1945

Item	AMOUNT OF ANNUAL SALES									
	Less than \$10,000		\$10,000- \$19,999		\$20,000- \$49,999		\$50,000- \$99,999		\$100,000 and Over	
	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented
Number of stores reporting .....	134	56	231	145	368	396	83	142	18	21
Average sales per store ..... \$	6,596	7,681	14,670	15,066	30,929	32,076	66,313	67,676	136,922	144,050
Average inventory beginning of year ... \$	772	780	1,261	1,302	2,340	2,094	5,176	4,518	9,863	10,939
Average inventory end of year ..... \$	810	767	1,332	1,284	2,494	2,249	5,190	4,554	9,466	11,049
Average cost of goods sold, per store . \$	5,589	6,318	12,606	12,892	26,691	27,527	57,340	57,779	118,868	123,479
Stock turnover (times per year) .....	7.1	8.2	9.7	10.0	11.0	12.7	11.1	12.7	12.3	11.2
Number of working proprietors .....	138	57	241	151	396	435	103	186	25	32
Gross trading profit (% of sales) .....	15.3	17.7	14.1	14.4	13.7	14.2	13.5	14.6	13.2	14.3
Operating expenses (% of sales):										
Employees' salaries .....	0.6	0.9	1.5	1.4	2.7	2.9	4.2	4.6	5.7	5.4
Advertising .....	(a)	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Store supplies .....	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.7	0.8
Bad debts .....	0.3	0.3	0.2	0.2	0.1	0.1	0.2	0.2	0.1	0.1
Taxes and insurance .....	1.1	0.5	0.8	0.5	0.7	0.4	0.7	0.3	0.3	0.4
Rent .....	-	3.0	-	1.9	-	1.3	-	1.1	-	0.9
Light, heat and power .....	1.4	1.2	1.0	0.8	0.6	0.5	0.5	0.4	0.3	0.3
Repair and maintenance .....	0.4	0.3	0.5	0.3	0.5	0.3	0.4	0.3	0.5	0.2
Depreciation .....	0.6	0.4	0.6	0.3	0.6	0.4	0.4	0.3	0.4	0.2
All other expenses .....	0.8	0.8	0.9	0.8	0.9	0.9	1.0	1.0	1.2	1.6
Total expenses .....	6.0	8.3	6.5	7.1	7.0	7.7	8.3	9.2	9.4	10.1
Net profits before deduction of proprietors' salaries and income tax.	9.3	9.4	7.6	7.3	6.7	6.5	5.2	5.4	3.8	4.2
Average net earnings per store ..... \$	610	720	1,112	1,100	2,072	2,087	3,457	3,695	5,200	6,060
Average customers' accounts outstanding \$	93	80	271	208	806	623	2,559	2,048	4,517	2,840

(a) Less than 0.05 per cent.

Table 7.--Grocery Stores - Operating Results Classified According to Amount of Annual Sales  
and Occupancy Basis, Maritimes, 1945

Item	AMOUNT OF ANNUAL SALES						
	Less than \$10,000	\$10,000- \$19,999		\$20,000- \$49,999		\$50,000- \$99,999	
	Owned	Owned	Rented	Owned	Rented	Owned	Rented
Number of stores reporting .....	28	33	15	67	51	10	11
Average sales per store ..... \$	6,833	14,191	16,117	32,116	32,608	64,048	67,128
Average inventory beginning of year ... \$	736	1,100	1,226	2,242	1,953	2,916	4,135
Average inventory end of year ..... \$	746	1,160	1,214	2,361	1,979	2,946	4,345
Average cost of goods sold, per store . \$	5,768	12,217	13,604	27,423	28,241	55,945	57,062
Stock turnover (times per year) .....	7.8	10.8	11.1	11.9	14.4	19.1	13.4
Number of working proprietors .....	29	33	15	75	53	11	13
Gross trading profit (% of sales) .....	15.6	13.9	15.6	14.6	13.4	12.6	15.0
Operating expenses (% of sales):							
Employees' salaries .....	0.9	1.6	2.3	3.5	2.6	3.8	4.1
Advertising .....	(a)	(a)	(a)	0.2	0.2	(a)	0.1
Store supplies .....	1.1	0.9	0.8	0.9	0.8	0.9	1.0
Bad debts .....	0.4	0.4	0.4	0.2	0.1	0.1	0.2
Taxes and insurance .....	0.9	0.6	0.7	0.7	0.3	0.5	0.3
Rent .....	-	-	1.6	-	1.0	-	0.9
Light, heat and power .....	1.0	0.8	0.8	0.6	0.4	0.3	0.5
Repair and maintenance .....	0.4	0.6	0.5	0.5	0.3	0.4	0.4
Depreciation .....	0.3	0.5	0.2	0.5	0.4	0.7	0.2
All other expenses .....	0.9	1.1	1.0	0.9	0.8	0.8	1.0
Total expenses .....	5.9	6.5	8.3	8.0	6.9	7.5	8.7
Net profits before deduction of proprietors' salaries and income tax.	9.7	7.4	7.3	6.6	6.5	5.1	6.3
Average net earnings per store ..... \$	663	1,047	1,170	2,116	2,121	3,297	4,230
Average customers' accounts outstanding \$	96	386	286	878	714	2,410	2,563

(a) Less than 0.05 per cent.



Table 7.--Grocery Stores - Operating Results Classified According to Amount of Annual Sales  
and Occupancy Basis, Quebec, 1945

Item	AMOUNT OF ANNUAL SALES						
	Less than \$10,000		\$10,000- \$19,999		\$20,000- \$49,999		\$50,000- \$99,999
	Owued	Rented	Owued	Rented	Owued	Rented	Rented
Number of stores reporting .....	17	18	20	36	26	73	37
Average sales per store ..... \$	6,603	7,512	13,733	14,803	29,755	33,572	68,647
Average inventory beginning of year ... \$	1,241	906	1,866	1,346	3,419	2,492	4,781
Average inventory end of year ..... \$	1,288	905	1,911	1,413	3,715	2,634	4,703
Average cost of goods sold, per store . \$	5,553	6,052	11,491	12,527	25,233	28,388	57,650
Stock turnover (times per year) .....	4.4	6.7	6.1	9.1	7.1	11.1	12.2
Number of working proprietors .....	17	19	21	37	26	81	42
Gross trading profit (% of sales) .....	15.9	19.4	16.3	15.4	15.2	15.4	16.0
Operating expenses (% of sales):							
Employees' salaries .....	0.9	0.7	2.2	1.7	4.3	3.8	5.7
Advertising .....	0.1	0.1	0.1	0.1	0.1	0.2	0.2
Store supplies .....	1.1	0.8	1.2	0.8	1.0	0.9	1.0
Bad debts .....	0.2	0.5	0.4	0.2	0.3	0.1	0.1
Taxes and insurance .....	1.1	0.8	0.9	0.7	0.7	0.5	0.5
Rent .....	-	3.0	-	1.9	-	1.2	1.1
Light, heat and power .....	1.4	1.2	1.3	0.8	0.7	0.5	0.4
Repair and maintenance .....	0.3	0.3	0.6	0.5	0.6	0.6	0.5
Depreciation .....	0.6	0.3	0.3	0.3	0.6	0.4	0.2
All other expenses .....	1.2	0.9	0.8	1.0	0.7	1.1	1.2
Total expenses .....	6.9	8.6	7.8	8.0	9.0	9.3	10.9
Net profits before deduction of proprietors' salaries and income tax	9.0	10.8	8.5	7.4	6.2	6.1	5.1
Average net earnings per store ..... \$	592	811	1,171	1,087	1,851	2,041	3,534
Average customers' accounts outstanding \$	114	147	354	285	1,118	513	1,037

Table 7.--Grocery Stores - Operating Results Classified According to Amount of Annual Sales  
and Occupancy Basis, Ontario, 1945

Item	AMOUNT OF ANNUAL SALES							
	Less than \$10,000		\$10,000- \$19,999		\$20,000- \$49,999		\$50,000- \$99,999	
	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented
Number of stores reporting .....	26	15	59	35	93	101	24	37
Average sales per store ..... \$	6,781	8,232	14,658	14,825	30,217	32,532	69,375	65,802
Average inventory beginning of year ... \$	606	617	1,166	1,154	2,136	2,154	5,194	4,342
Average inventory end of year ..... \$	658	605	1,192	1,179	2,226	2,243	4,961	4,246
Average cost of goods sold, per store . \$	5,715	6,758	12,508	12,666	26,002	27,978	59,664	56,611
Stock turnover (times per year) .....	9.0	11.1	10.6	10.9	11.9	12.7	11.7	13.2
Number of working proprietors .....	27	15	64	37	96	111	32	46
Gross trading profit (% of sales) .....	15.7	17.9	14.7	14.6	13.9	14.0	14.0	14.0
Operating expenses (% of sales):								
Employees' salaries .....	0.3	1.9	2.0	1.4	2.6	3.3	4.3	4.4
Advertising .....	(a)	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Store supplies .....	0.7	1.0	1.1	0.9	0.9	0.8	0.9	0.9
Bad debts .....	0.2	0.3	0.2	0.2	0.1	0.1	(a)	0.1
Taxes and insurance .....	1.2	0.5	0.9	0.4	0.6	0.3	0.6	0.2
Rent .....	-	3.0	-	2.0	-	1.3	-	0.9
Light, heat and power .....	1.4	1.1	1.0	0.8	0.6	0.5	0.5	0.4
Repair and maintenance .....	0.7	0.4	0.5	0.3	0.4	0.2	0.4	0.4
Depreciation .....	0.4	0.5	0.6	0.3	0.7	0.4	0.6	0.3
All other expenses .....	0.8	0.5	0.9	0.9	1.0	0.8	1.1	0.9
Total expenses .....	5.7	9.3	7.3	7.3	7.0	7.9	8.6	8.7
Net profits before deduction of proprietors' salaries and income tax.	10.0	8.6	7.4	7.3	6.9	6.1	5.4	5.3
Average net earnings per store ..... \$	675	704	1,080	1,088	2,085	2,000	3,777	3,477
Average customers' accounts outstanding \$	69	72	224	157	580	530	1,926	2,167

(a) Less than 0.05 per cent.



Table 7.--Grocery Stores - Operating Results Classified According to Amount of Annual Sales  
and Occupancy Basis, Prairies, 1945

Item	AMOUNT OF ANNUAL SALES							
	Less than \$10,000		\$10,000- \$19,999		\$20,000- \$49,999		\$50,000- \$99,999	
	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented
Number of stores reporting .....	41	10	76	26	115	102	24	26
Average sales per store ..... \$	6,471	7,291	14,893	14,949	31,093	30,900	64,110	66,848
Average inventory beginning of year ... \$	779	1,084	1,357	1,330	2,418	1,839	4,601	4,274
Average inventory end of year ..... \$	791	1,141	1,525	1,448	2,484	2,058	5,021	4,494
Average cost of goods sold, per store . \$	5,471	6,076	12,917	12,923	27,100	26,629	55,016	57,133
Stock turnover (times per year) .....	7.0	5.5	9.0	9.3	11.1	13.7	11.4	13.0
Number of working proprietors .....	43	10	79	26	127	113	29	35
Gross trading profit (% of sales) .....	15.5	16.7	13.3	13.6	12.8	13.8	14.2	14.5
Operating expenses (% of sales):								
Employees' salaries .....	0.3	(a)	1.2	0.8	2.0	2.5	3.6	4.7
Advertising .....	(a)	0.1	0.1	0.1	0.2	0.1	0.2	0.3
Store supplies .....	0.7	0.6	0.7	0.5	0.7	0.6	0.8	0.6
Bad debts .....	0.3	0.4	0.2	0.1	0.1	0.1	0.2	0.1
Taxes and insurance .....	1.1	0.6	0.8	0.5	0.7	0.4	0.6	0.3
Rent .....	-	3.3	-	2.1	-	1.4	-	1.2
Light, heat and power .....	1.7	1.8	1.1	1.0	0.6	0.6	0.6	0.4
Repair and maintenance .....	0.4	0.2	0.5	0.1	0.4	0.2	0.5	0.3
Depreciation .....	0.6	0.5	0.7	0.4	0.6	0.3	0.6	0.3
All other expenses .....	0.8	1.1	1.0	0.8	0.9	0.9	1.0	1.0
Total expenses .....	6.1	8.6	6.3	6.4	6.2	7.1	8.1	9.2
Net profits before deduction of proprietors' salaries and income tax.	9.4	8.1	7.0	7.2	6.6	6.7	6.1	5.3
Average net earnings per store ..... \$	610	590	1,046	1,074	2,053	2,079	3,928	3,571
Average customers' accounts outstanding \$	98	61	247	191	829	687	2,547	2,477
(a) Less than 0.05 per cent.								

Table 7.--Grocery Stores - Operating Results Classified According to Amount of Annual Sales  
and Occupancy Basis, British Columbia, 1945

Item	AMOUNT OF ANNUAL SALES						
	Less than \$10,000	\$10,000- \$19,999		\$20,000- \$49,999		\$50,000- \$99,999	
	Owned	Owned	Rented	Owned	Rented	Owned	Rented
Number of stores reporting .....	22	43	33	67	69	16	31
Average sales per store ..... \$	6,303	15,096	15,221	30,905	31,176	63,953	69,640
Average inventory beginning of year ... \$	639	1,064	1,121	2,170	2,067	6,038	4,754
Average inventory end of year ..... \$	648	1,049	1,157	2,244	2,331	6,005	4,867
Average cost of goods sold, per store . \$	5,459	13,006	13,181	26,778	26,757	55,406	60,123
Stock turnover (times per year) .....	8.5	12.3	11.6	12.1	12.2	9.2	12.5
Number of working proprietors .....	22	44	36	72	77	22	50
Gross trading profit (% of sales) .....	13.4	13.8	13.4	13.4	14.2	13.4	13.7
Operating expenses (% of sales):							
Employees' salaries .....	0.8	0.9	1.2	2.5	2.5	4.4	3.7
Advertising .....	(a)	0.1	0.1	0.1	0.1	0.1	0.2
Store supplies .....	0.6	0.8	0.7	0.7	0.6	0.6	0.7
Bad debts .....	0.4	0.1	0.1	0.1	0.1	0.2	0.2
Taxes and insurance .....	0.9	0.8	0.3	0.6	0.3	0.5	0.2
Rent .....	-	-	1.9	-	1.4	-	1.0
Light, heat and power .....	1.5	0.8	0.7	0.5	0.5	0.4	0.4
Repair and maintenance .....	0.4	0.6	0.1	0.4	0.4	0.4	0.3
Depreciation .....	0.4	0.5	0.3	0.7	0.3	0.5	0.3
All other expenses .....	0.8	0.6	0.7	0.9	0.8	1.0	0.9
Total expenses .....	5.8	5.2	6.1	6.5	7.0	8.1	7.9
Net profits before deduction of proprietors' salaries and income tax.	7.6	8.6	7.3	6.9	7.2	5.3	5.8
Average net earnings per store ..... \$	481	1,297	1,118	2,127	2,255	3,364	4,058
Average customers' accounts outstanding \$	93	251	155	888	772	2,834	2,570

(a) Less than 0.05 per cent.



Table 8.--Grocery Stores - Operating Results Classified According to Size of Locality  
for Each Size of Business and Occupancy Class, Canada, 1945

Item	AMOUNT OF ANNUAL SALES UNDER \$10,000							
	Owned Stores				Rented Stores			
	Size of Locality (Population)				Size of Locality (Population)			
	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over
Number of stores reporting .....	103	11		13	16			28
Average sales per store ..... \$	6,444	7,009		7,652	7,609			7,988
Average inventory beginning of year ... \$	833	647		545	921			830
Average inventory end of year ..... \$	842	719		615	932			800
Average cost of goods sold, per store . \$	5,459	5,839		6,482	6,281			6,520
Stock turnover (times per year) .....	6.5	8.5		11.2	6.8			8.0
Number of working proprietors .....	106	11	SAMPLE	13	16	SAMPLE	SAMPLE	29
Gross trading profit (% of sales) .....	15.3	16.7		15.3	17.5			18.4
Operating expenses (% of sales):								
Employees' salaries .....	0.7	0.5		0.4	1.5			0.9
Advertising .....	(a)	(a)		(a)	(a)			0.1
Store supplies .....	0.9	0.1		0.5	0.9			0.9
Bad debts .....	0.3	0.6		(a)	0.3			0.4
Taxes and insurance .....	1.0	1.4	TOO	1.4	0.6	TOO	TOO	0.6
Rent .....	-	-		-	2.6			3.0
Light, heat and power .....	1.4	1.2		1.4	1.6			1.2
Repair and maintenance .....	0.4	1.2		0.6	0.3			0.3
Depreciation .....	0.5	0.6		0.5	0.3			0.5
All other expenses .....	0.9	0.9		0.9	0.9			0.7
Total expenses .....	6.1	6.5		5.7	9.0			8.6
Net profits before deduction of proprietors' salaries and income tax.	9.2	10.2	SMALL	9.6	8.5	SMALL	SMALL	9.8
Average net earnings per store ..... \$	590	712		735	643			783
Average customers' accounts outstanding \$	107	75		35	93			103

(a) Less than 0.05 per cent.

Table 8 --Grocery Stores - Operating Results Classified According to Size of Locality  
for Each Size of Business and Occupancy Class, Canada, 1945

Item	AMOUNT OF ANNUAL SALES \$10,000 - \$19,999							
	Owned Stores				Rented Stores			
	Size of Locality (Population)				Size of Locality (Population)			
	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over
Number of stores reporting .....	143	13	31	44	44	14	20	67
Average sales per store ..... \$	14,181	16,282	15,149	15,446	15,015	15,455	15,693	14,830
Average inventory beginning of year ... \$	1,350	1,441	1,071	1,053	1,652	887	1,062	1,081
Average inventory end of year ..... \$	1,474	1,359	1,036	1,071	1,652	903	1,131	1,167
Average cost of goods sold, per store . \$	12,178	13,960	13,106	13,243	12,850	13,373	13,527	12,629
Stock turnover (times per year) .....	8.6	10.0	12.4	12.5	7.8	14.9	12.3	11.2
Number of working proprietors .....	149	14	32	46	47	15	20	69
Gross trading profit (% of sales) .....	14.1	14.3	13.5	14.3	14.4	13.5	13.8	14.8
Operating expenses (% of sales):								
Employees' salaries .....	1.3	2.1	2.4	1.3	1.4	1.5	1.4	1.4
Advertising .....	(a)	(a)	(a)	0.1	(a)	(a)	(a)	(a)
Store supplies .....	0.9	0.9	0.9	0.9	0.7	0.9	0.6	0.8
Bad debts .....	0.2	0.4	0.1	0.1	0.3	0.1	0.3	0.1
Taxes and insurance .....	0.8	0.8	1.0	0.9	0.5	0.6	0.6	0.5
Rent .....	-	-	-	-	1.7	1.8	2.1	2.1
Light, heat and power .....	1.0	0.9	0.9	1.0	0.9	0.8	0.9	0.8
Repair and maintenance .....	0.6	0.5	0.3	0.5	0.4	0.5	0.1	0.4
Depreciation .....	0.7	0.7	0.5	0.6	0.3	0.2	0.3	0.3
All other expenses .....	0.9	0.5	0.8	0.9	0.8	1.2	0.6	0.8
Total expenses .....	6.4	6.8	6.9	6.3	7.0	7.6	6.9	7.2
Net profits before deduction of proprietors' salaries and income tax.	7.7	7.5	6.6	8.0	7.4	5.9	6.9	7.6
Average net earnings per store ..... \$	1,093	1,213	1,000	1,224	1,117	904	1,090	1,133
Average customers' accounts outstanding \$	316	353	253	111	246	130	213	196

(a) Less than 0.05 per cent.



Table 8.--Grocery Stores - Operating Results Classified According to Size of Locality  
for Each Size of Business and Occupancy Class, Canada, 1945

Item	AMOUNT OF ANNUAL SALES \$20,000 - \$49,999							
	Owned Stores				Rented Stores			
	Size of Locality (Population)				Size of Locality (Population)			
	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over	Under 10,000	10,000- 29,999	30,000 99,999	100,000 & over
Number of stores reporting .....	191	42	69	66	120	39	94	143
Average sales per store ..... \$	30,418	30,609	31,628	31,882	33,286	32,739	31,722	31,113
Average inventory beginning of year ... \$	2,634	1,968	1,908	2,179	2,354	2,210	1,897	1,974
Average inventory end of year ..... \$	2,768	1,969	1,970	2,279	2,553	2,319	2,038	2,113
Average cost of goods sold, per store . \$	26,125	26,499	27,528	27,573	28,654	28,262	27,254	26,561
Stock turnover (times per year) .....	9.7	13.5	14.2	12.4	11.7	12.5	13.9	13.0
Number of working proprietors .....	202	45	77	72	133	41	98	163
Gross trading profit (% of sales) .....	14.1	13.4	13.0	13.5	13.9	13.7	14.1	14.6
Operating expenses (% of sales):								
Employees' salaries .....	2.8	3.0	2.3	2.5	3.1	3.1	2.7	2.9
Advertising .....	0.2	0.1	0.3	0.1	0.2	0.2	0.1	0.1
Store supplies .....	0.8	0.9	0.9	0.6	0.7	0.8	0.8	0.8
Bad debts .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Taxes and insurance .....	0.7	0.6	0.6	0.7	0.4	0.4	0.4	0.4
Rent .....	-	-	-	-	1.1	1.1	1.3	1.4
Light, heat and power .....	0.6	0.6	0.5	0.6	0.5	0.5	0.5	0.5
Repair and maintenance .....	0.5	0.5	0.4	0.4	0.3	0.4	0.2	0.4
Depreciation .....	0.6	0.7	0.6	0.6	0.4	0.4	0.3	0.4
All other expenses .....	1.0	0.8	0.8	0.9	1.0	0.7	0.8	0.9
Total expenses .....	7.3	7.3	6.5	6.5	7.8	7.7	7.2	7.9
Net profits before deduction of proprietors' salaries and income tax.	6.8	6.1	6.5	7.0	6.1	6.0	6.9	6.7
Average net earnings per store ..... \$	2,065	1,872	2,054	2,236	2,045	1,962	2,199	2,084
Average customers' accounts outstanding \$	873	915	777	573	951	824	597	338

Table 8.--Grocery Stores - Operating Results Classified According to Size of Locality  
for Each Size of Business and Occupancy Class, Canada, 1945

Item	AMOUNT OF ANNUAL SALES \$50,000 - \$99,999							
	Owned Stores				Rented Stores			
	Size of Locality (Population)				Size of Locality (Population)			
	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over
Number of stores reporting .....	56		13		60	16	13	53
Average sales per store ..... \$	67,020		65,174		66,493	68,564	67,829	68,709
Average inventory beginning of year ... \$	5,598		3,511		4,611	4,364	4,453	4,475
Average inventory end of year ..... \$	5,525		3,890		4,762	4,252	4,702	4,372
Average cost of goods sold, per store . \$	57,859		56,339		56,991	58,479	58,331	58,324
Stock turnover (times per year) .....	10.4	SAMPLE	15.2	SAMPLE	12.2	13.6	12.7	13.2
Number of working proprietors .....	70		17		79	22	17	68
Gross trading profit (% of sales) .....	13.7		13.6		14.3	14.7	14.0	15.1
Operating expenses (% of sales):								
Employees' salaries .....	4.2		3.4		4.4	4.6	4.4	5.0
Advertising .....	0.1		0.2		0.2	0.3	0.3	0.1
Store supplies .....	0.8		0.8		0.7	1.0	0.8	0.9
Bad debts .....	0.2	T00	0.1	T00	0.2	0.2	0.2	0.1
Taxes and insurance .....	0.6		0.4		0.3	0.4	0.3	0.4
Rent .....	-		-		0.9	1.1	1.0	1.2
Light, heat and power .....	0.5		0.4		0.4	0.4	0.3	0.3
Repair and maintenance .....	0.5		0.4		0.3	0.3	0.3	0.4
Depreciation .....	0.6		0.5		0.3	0.2	0.3	0.3
All other expenses .....	1.0		1.1		1.0	0.9	1.0	0.9
Total expenses .....	8.5		7.3		8.7	9.4	8.9	9.6
Net profits before deduction of proprietors' salaries and income tax.	5.2	SMALL	6.3	SMALL	5.6	5.3	5.1	5.5
Average net earnings per store ..... \$	3,451		4,072		3,690	3,596	3,462	3,786
Average customers' accounts outstanding \$	2,883		1,740		2,871	2,092	2,359	1,027



Table 9.--Grocery Stores - Operating Results Classified According to Delivery Service  
by Size of Business and Occupancy Class, Canada, 1945

Item	Less than \$10,000				\$10,000 - \$19,999				\$20,000 - \$49,999			
	Owned		Rented		Owned		Rented		Owned		Rented	
	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery
Number of stores reporting ..	31	101	14	40	124	98	82	57	298	61	324	66
Average sales per store ....\$	7,260	6,393	8,395	7,517	14,934	14,150	15,526	14,431	31,380	28,795	32,670	29,162
Average cost of goods sold, per store ..... \$	6,060	5,440	6,753	6,241	12,798	12,198	13,240	12,428	27,061	25,024	27,991	25,264
Number of working proprietors	31	105	14	41	130	100	85	60	321	65	355	74
Gross trading profit .....	16.5	14.9	19.6	17.0	14.3	13.8	14.7	13.9	13.8	13.1	14.3	13.4
Operating expenses:												
Employees' salaries .....	0.3	0.7	1.7	0.6	1.9	0.9	1.7	0.9	2.8	2.1	3.2	1.7
Store supplies .....	1.3	0.7	1.1	0.7	1.0	0.7	0.8	0.7	0.8	0.6	0.8	0.5
Repair and maintance .....	0.6	0.4	0.4	0.3	0.5	0.7	0.3	0.2	0.5	0.4	0.3	0.2
Depreciation .....	0.5	0.5	0.6	0.3	0.6	0.6	0.3	0.3	0.6	0.5	0.4	0.3
Total expenses .....	6.7	5.8	10.2	7.6	6.9	5.9	7.7	6.1	7.2	5.8	8.0	5.8
Net profits before deduction of proprietors' salaries and income tax .....	9.8	9.1	9.4	9.4	7.4	7.9	7.0	7.8	6.6	7.3	6.3	7.6
Average net earnings per store ..... \$	714	581	792	707	1,099	1,123	1,083	1,130	2,055	2,115	2,055	2,210
Average customers' accounts outstanding ..... \$	106	90	26	103	266	288	236	109	882	489	713	237

Item	\$50,000 - \$99,999				\$100,000 and Over			
	Owned		Rented		Owned		Rented	
	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery
Number of stores reporting ..	74		126	13	18		17	
Average sales per store ... \$	66,797		68,232	62,245	136,922		133,742	
Average cost of goods sold, per store ..... \$	57,855	SAMPLE	58,241	53,263	118,868	SAMPLE	113,424	
Number of working proprietors	91		167	16	25		28	
Gross trading profit .....	13.4		14.6	14.4	13.2		15.2	
Operating expenses:								
Employees' salaries .....	4.2		4.8	3.5	5.7		5.7	
Store supplies .....	0.8		0.8	0.6	0.7		0.8	
Repair and maintenance ....	0.4		0.3	0.3	0.5		0.3	
Depreciation .....	0.5	TOO	0.3	0.4	0.4	TOO	0.3	TOO
Total expenses .....	8.1		9.2	8.1	9.4		10.5	
Net profits before deduction of proprietors' salaries and income tax .....	5.3		5.4	6.3	3.8		4.7	
Average net earnings per store ..... \$	3,507		3,672	3,901	5,200		6,337	
Average customers' accounts outstanding ..... \$	2,593	SMALL	2,173	695	4,517	SMALL	3,131	



Table 10 --Grocery Stores - Operating Results Classified According to Degree of Net Profit  
by Size of Business and Occupancy Class, Canada, 1945

Item	Less than \$10,000				\$10,000 - \$19,999			
	Owned		Rented		Owned		Rented	
	Below Average	Above Average	Below Average	Above Average	Below Average	Above Average	Below Average	Above Average
Number of stores reporting .....	77	57	32	24	114	117	77	68
Average sales per store ..... \$	6,458	6,783	7,643	7,732	14,965	14,383	15,264	14,841
Average cost of goods sold, per store .. \$	5,588	5,590	6,371	6,248	13,060	12,163	13,218	12,523
Number of working proprietors .....	80	58	32	25	119	122	79	72
Gross trading profit .....	13.5	17.6	16.6	19.2	12.7	15.4	13.4	15.6
Employees' salaries .....	0.8	0.4	1.5	0.2	2.1	0.8	1.7	1.0
Total expenses .....	6.6	5.2	9.6	6.8	7.4	5.5	8.0	6.1
Net profits before deduction of proprietors' salaries and income tax ...	6.9	12.4	7.0	12.4	5.3	9.9	5.4	9.5
Average net earnings per store ..... \$	440	840	541	960	790	1,425	826	1,411

Item	\$20,000 - \$49,999				\$50,000 - \$99,999			
	Owned		Rented		Owned		Rented	
	Below Average	Above Average	Below Average	Above Average	Below Average	Above Average	Below Average	Above Average
Number of stores reporting .....	187	181	213	183	46	37	79	63
Average sales per store ..... \$	32,225	29,590	32,479	31,608	67,657	64,638	70,751	63,818
Average cost of goods sold, per store .. \$	28,218	25,113	28,168	26,782	59,548	54,594	60,874	53,897
Number of working proprietors .....	203	193	222	213	51	52	93	93
Gross trading profit .....	12.4	15.1	13.3	15.3	12.0	15.5	14.0	15.5
Employees' salaries .....	3.0	2.3	3.4	2.4	4.4	3.8	5.3	3.8
Total expenses .....	7.6	6.2	8.5	6.8	8.7	7.8	10.1	7.9
Net profits before deduction of proprietors' salaries and income tax ...	4.8	8.9	4.8	8.5	3.3	7.7	3.9	7.6
Average net earnings per store ..... \$	1,531	2,630	1,569	2,691	2,247	4,960	2,747	4,882

### B. Combination Stores (Groceries and Meats)

As indicated by the name, these stores sell groceries and fresh meats, with the percentage of the smaller of the two commodities not less than 20 per cent. Fruits and vegetables are generally sold in some quantity. A total of 926 satisfactory reports were received from independent unincorporated stores.

It is considered essential that operating results be presented by size of business and when segregated into five such groups the number of reporting stores were too few in number in rented class with sales of less than \$10,000 to allow publication of results. Fresh meats require a greater margin to allow for waste, handling and refrigeration. Certain fluctuations in the results may be caused by the varying percentage of fresh meats sold by the sample stores in the different size brackets.

### Trends by Size of Business (Table 11, page 30)

The stock turnover rate increased consistently with one exception, as business volume expanded, ranging from 6.4 times per year to 16.7 times. The drop to 14.2 times in owned stores with sales over \$100,000 may be caused by the sample stores in that class having a greater proportion of groceries.

The increasing need of paid help in larger stores as compared to the small store where the proprietor and family members provide a large portion of the service resulted in an upward trend in ratio of salaries to net sales. Although the ratio of rent expense decreased with sales volume, the increasing proportion of salaries coupled with a fairly constant ratio of other expenses netted a greater total expense ratio in the larger stores.

The actual dollar value of net earnings per store was much greater in the larger stores. In making comparisons with these net earnings, account must be taken of the number of proprietors actively engaged in the respective groups in relation to the number of stores reporting.

Except for two size and occupancy classes, stocks on hand were greater at the end of the year than at the beginning.

### Comparison with Previous Years (Chart 2, page 29)

Surveys on operating results in retail stores were taken in 1938 and in 1944 which also included results for 1941. The size of business ranges for the previous years were not always identical with 1945 and for that reason some years are omitted. Chart 2 clearly shows that recent years have seen diminishing gross profits, but it also indicates that curtailment of expenses, as a result of wartime conditions and regulations more than offset the narrowing margins. Before deduction of proprietors' salaries and income taxes, net profits were greater in 1944 and 1945 than in the previous years.

In 1945 net profits in combination stores fell slightly lower than the 1944 figure of 5.8 per cent.

### Trends by Size of Locality (Table 12, page 31)

Operating results are shown in Table 12 broken down into four



locality groups within each size of business and occupancy group except stores whose sales were less than \$10,000 where the number of reporting stores was too small. There was a general trend toward a higher rate of stock turnover in the larger localities, as a natural result of larger inventories maintained by stores in the smaller localities.

With two exceptions - owned stores in the size brackets of \$10,000-\$19,999 and \$20,000-\$49,999 - gross trading profit, as a percentage of net sales, was greater in the largest locality group and the two middle size classes fluctuated below and above the lesser ratio in the smallest locality. With the same exceptions, salary ratios followed an upward trend as the size of locality increased. Rent expense was generally greater in the larger localities but other expense items followed no definite trend.

Comparison Between Stores Providing Delivery Service  
and Those not Providing Such Service (Table 13, page 35)

Table No. 13 shows comparisons between stores providing delivery service and those not doing so for the different size and occupancy categories where the number of reporting stores is sufficiently large. Most of the combination stores in the higher sales ranges extended delivery service with the result that there were too few without the service to allow publication of comparable results. Some stores did not answer the question and are not included in this table.

To meet delivery expenses, stores providing this service operated on a wider gross margin. However, their expenses were greater than stores not providing delivery service to the extent that the net profit ratio to sales was smaller.

Comparison Between Less Profitable and More  
Profitable Stores (Table 14, page 37)

In this table the reporting stores were classified as below and above the average net profit for all stores in each size of business and occupancy class. Results are shown only in categories where both profit classes have a large enough sample. Items of no significant difference between the two degrees of profit are not shown as they are similar to the results of table 11.

A narrow margin coupled with a high ratio of salary expense placed the less profitable combination store in the below-average class.

CHART 2.

# OPERATING RESULTS OF RETAIL COMBINATION STORES, 1945

PERCENTAGE  
OF NET SALES

GROSS MARGIN = NET PROFIT + SALARIES + OTHER EXPENSES

PERCENTAGE  
OF NET SALES

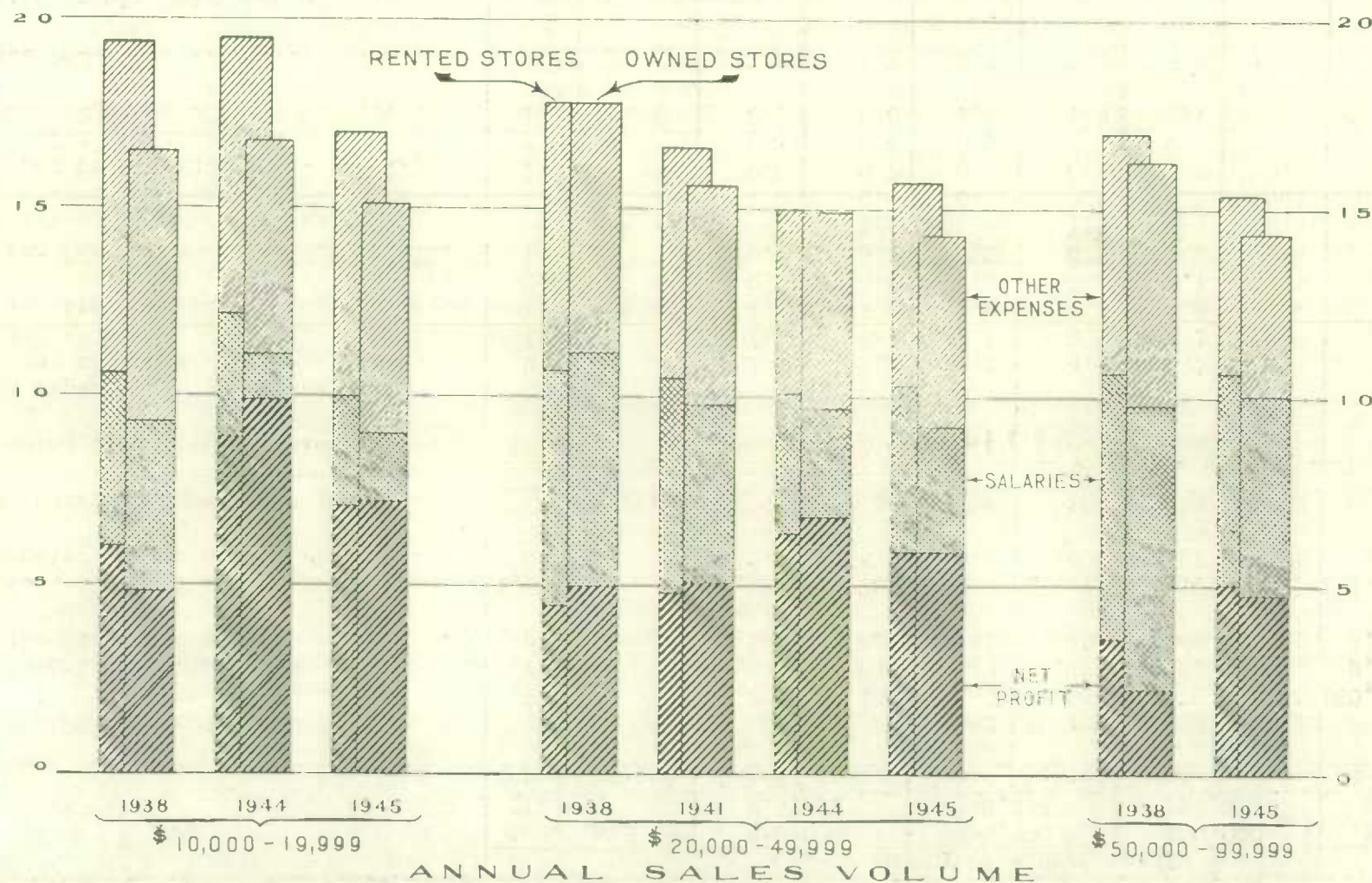




Table 11. - Combination Stores - Operating Results Classified According to Amount of Annual Sales and Occupancy Basis, Canada, 1945

Item	AMOUNT OF ANNUAL SALES									
	Less than \$10,000		\$10,000- \$19,999		\$20,000- \$49,999		\$50,000- \$99,999		\$100,000 and Over	
	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented
Number of stores reporting .....	23		86	31	169	190	129	171	49	71
Average sales per store .....	\$ 6,678		15,336	15,404	32,360	35,067	70,570	71,154	160,778	133,186
Average inventory beginning of year ....	\$ 794		1,046	994	2,012	1,767	3,576	3,664	9,818	6,585
Average inventory end of year .....	\$ 877		1,105	965	2,141	1,805	3,649	3,814	9,491	7,011
Average cost of goods sold, per store \$	5,373		13,022	12,784	27,722	29,572	60,496	60,235	137,438	113,589
Stock turnover (times per year) .....	6.4		12.1	13.1	13.4	16.6	16.7	16.1	14.2	16.7
Number of working proprietors .....	24	SAMPLE	88	34	189	201	155	209	70	94
Gross trading profit (% of sales) .....	19.5		15.1	17.0	14.3	15.7	14.3	15.3	14.5	14.7
Operating expenses (% of sales):										
Employees' salaries .....	0.6		1.8	2.9	3.3	4.4	5.3	5.6	6.4	6.0
Advertising .....	(a)		(a)	(a)	0.1	0.1	0.1	0.2	0.2	0.2
Store supplies .....	1.3	TOO	1.1	1.5	1.1	1.1	0.9	1.1	0.9	1.1
Bad debts .....	0.6		0.3	0.2	0.2	0.3	0.1	(a)	0.2	0.1
Taxes and insurance .....	1.6		0.9	0.6	0.6	0.4	0.5	0.4	0.4	0.3
Rent .....	-		-	1.9	-	1.2	-	0.9	-	0.8
Light, heat and power .....	1.8		1.2	0.9	0.7	0.5	0.5	0.4	0.3	0.3
Repair and maintenance .....	1.0		0.9	0.7	0.6	0.4	0.5	0.4	0.5	0.4
Depreciation .....	1.3		0.8	0.4	0.8	0.5	0.6	0.4	0.6	0.4
All other expenses .....	1.4	SMALL	0.9	0.8	1.0	0.9	1.1	0.9	1.1	0.8
Total expenses .....	9.6		7.9	9.9	8.4	9.8	9.6	10.3	10.6	10.4
Net profits before deduction of proprietors' salaries and income tax	9.9		7.2	7.1	5.9	5.9	4.7	5.0	3.9	4.3
Average net earnings per store .....	\$ 667		1,101	1,093	1,927	2,053	3,330	3,566	6,216	5,790
Average customers' accounts outstanding \$	150		322	265	878	664	2,156	1,900	5,346	3,364

(a) Less than 0.05 per cent.

Table 12. - Combination Stores - Operating Results Classified According to Size of Locality  
for Each Size of Business and Occupancy Class, Canada, 1945.

AMOUNT OF ANNUAL SALES \$10,000 - \$19,999

Item	Owned Stores				Rented Stores			
	Size of Locality (Population)				Size of Locality (Population)			
	Under 10,000	10,000 - 29,999	30,000- 99,999	100,000 & over	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over
Number of stores reporting .....	39	18	11	18	11			15
Average sales per store ..... \$	15,086	15,114	15,877	15,770	14,318			15,625
Average inventory beginning of year ..... \$	1,205	806	1,158	873	1,123			986
Average inventory end of year ..... \$	1,297	829	1,125	952	1,068			943
Average cost of goods sold, per store ... \$	12,733	12,952	13,360	13,511	12,168			12,678
Stock turnover (times per year) .....	10.2	15.9	11.7	14.8	11.1	SAMPLE	SAMPLE	13.2
Number of working proprietors .....	41	18	11	18	13			16
Gross trading profits (% of sales) .....	15.6	14.3	15.9	14.3	15.0			18.9
Operating expenses (% of sales):								
Employees' salaries .....	1.5	2.8	2.3	1.2	2.3			3.1
Advertising .....	(a)	0.1	(a)	0.1	(a)			(a)
Store supplies .....	1.2	1.0	1.0	1.3	1.1	TOO	TOO	1.9
Bad debts .....	0.3	0.2	0.6	0.4	0.3			0.2
Taxes and insurance .....	0.9	0.9	0.9	0.9	0.6			0.6
Rent .....	-	-	-	-	1.5			2.3
Light, heat and power .....	1.2	0.9	1.0	1.3	0.8			1.1
Repair and maintenance .....	1.0	0.6	0.7	0.8	0.5			1.1
Depreciation .....	0.9	1.0	0.7	0.6	0.1			0.6
All other expenses .....	0.9	0.7	1.1	0.8	0.6			0.6
Total expenses .....	7.9	8.1	8.3	7.4	7.8	SMALL	SMALL	11.5
Net profits before deduction of proprietors' salaries and income tax	7.7	6.2	7.6	6.9	7.2			7.4
Average net earnings per store ..... \$	1,154	937	1,197	1,088	1,028			1,157
Average customers' accounts outstanding \$	351	354	432	164	463			174

(a) Less than 0.05 per cent.



**Table 12.--Combination Stores - Operating Results Classified According to Size of Locality  
for Each Size of Business and Occupancy Class, Canada, 1945**

AMOUNT OF ANNUAL \$20,000 - \$49,999

Item	Owned Stores				Rented Stores			
	Size of Locality (Population)				Size of Locality (Population)			
	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over	Under 10,000	10,000- 29,999	30,000 99,999	100,000 & over
Number of stores reporting .....	95	23	21	30	44	27	27	92
Average sales per store ..... \$	32,212	33,305	35,758	29,726	34,316	36,971	36,674	34,394
Average inventory beginning of year ... \$	2,263	1,801	1,922	1,443	1,871	2,058	1,534	1,701
Average inventory end of year ..... \$	2,408	1,922	2,091	1,498	1,866	2,175	1,505	1,756
Average cost of goods sold, per store . \$	27,458	28,602	31,032	25,570	29,181	31,423	30,841	28,844
Stock turnover (times per year) .....	11.8	15.4	15.5	17.4	15.6	14.9	20.3	16.7
Number of working proprietors .....	111	24	23	31	47	30	29	95
Gross trading profit (% of sales) .....	14.8	14.1	13.2	14.0	15.0	15.0	15.9	16.1
Operating expenses (% of sales):								
Employees' salaries .....	3.6	3.3	3.0	2.5	3.7	4.4	4.6	4.7
Advertising .....	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1
Store supplies .....	1.1	1.2	0.7	1.2	1.1	1.0	1.3	1.0
Bad debts .....	0.2	0.3	0.2	0.1	0.2	0.2	0.1	0.2
Taxes and insurance .....	0.7	0.6	0.6	0.6	0.4	0.3	0.4	0.5
Rent .....	-	-	-	-	1.1	1.0	1.3	1.3
Light, heat and power .....	0.7	0.6	0.6	0.8	0.6	0.5	0.5	0.5
Repair and maintenance .....	0.6	0.5	0.6	0.5	0.3	0.4	0.3	0.4
Depreciation .....	0.8	0.8	0.8	0.8	0.6	0.4	0.4	0.6
All other expenses .....	1.1	0.8	0.9	0.9	0.7	1.0	0.9	1.0
Total expenses .....	8.9	8.2	7.5	7.5	8.9	9.4	10.0	10.3
Net profits before deduction of proprietors' salaries and income tax.	5.9	5.9	5.7	6.5	6.1	5.6	5.9	5.8
Average net earnings per store ..... \$	1,894	1,956	2,027	1,938	2,098	2,055	2,145	2,003
Average customers' accounts outstanding \$	961	1,143	959	356	899	1,138	671	412

Table 12.--Combination Stores - Operating Results Classified According to Size of Locality  
for Each Size of Business and Occupancy Class, Canada, 1945

Item	AMOUNT OF ANNUAL SALES \$50,000 - \$99,999							
	Owned Stores				Rented Stores			
	Size of Locality (Population)				Size of Locality (Population)			
	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over
Number of stores reporting .....	57	20	15	37	46	25	29	71
Average sales per store ..... \$	72,058	72,535	70,099	67,406	71,889	70,775	77,637	68,165
Average inventory beginning of year ... \$	3,744	3,666	3,488	3,304	4,197	3,005	3,792	3,499
Average inventory end of year ..... \$	3,882	3,613	3,528	3,358	4,289	3,327	3,761	3,700
Average cost of goods sold, per store . \$	62,083	62,257	59,831	57,369	61,350	60,580	65,404	57,280
Stock turnover (times per year) .....	16.3	17.1	17.1	17.2	14.5	19.1	17.3	15.9
Number of working proprietors .....	68	26	17	44	54	33	38	84
Gross trading profit (% of sales) .....	13.8	14.2	14.6	14.9	14.7	14.4	15.8	16.0
Operating expenses (% of sales):								
Employees' salaries .....	4.8	5.4	5.7	5.9	4.5	5.3	5.9	6.2
Advertising .....	0.1	0.2	0.1	0.2	0.2	0.2	0.1	0.1
Store supplies .....	0.9	0.8	0.7	0.9	1.0	1.1	1.1	1.1
Bad debts .....	0.1	0.2	0.1	0.1	0.2	0.1	0.1	0.1
Taxes and insurance .....	0.4	0.6	0.5	0.5	0.3	0.3	0.3	0.5
Rent .....	-	-	-	-	0.8	0.9	0.9	0.9
Light, heat and power .....	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4
Repair and maintenance .....	0.6	0.4	0.4	0.4	0.5	0.3	0.3	0.5
Depreciation .....	0.7	0.7	0.5	0.6	0.5	0.3	0.3	0.5
All other expenses .....	1.0	0.9	1.2	1.1	0.9	1.1	0.9	0.9
Total expenses .....	9.1	9.7	9.6	10.1	9.3	10.0	10.3	11.2
Net profits before deduction of proprietors' salaries and income tax.	4.7	4.5	5.0	4.8	5.4	4.4	5.5	4.8
Average net earnings per store ..... \$	3,359	3,266	3,520	3,242	3,860	3,082	4,267	3,260
Average customers' accounts outstanding \$	2,718	2,506	1,685	1,295	2,580	2,459	2,112	1,177



Table 12.--Combination Stores - Operating Results Classified According to Size of Locality  
for Each Size of Business and Occupancy Class, Canada, 1945

Item	AMOUNT OF ANNUAL SALES \$100,000 AND OVER							
	Owned Stores				Rented Stores			
	Size of Locality (Population)				Size of Locality (Population)			
	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over	Under 10,000	10,000- 29,999	30,000- 99,999	100,000 & over
Number of stores reporting .....	24	14			20	14		30
Average sales per store ..... \$	149,842	160,702			131,651	133,108		134,052
Average inventory beginning of year ... \$	8,476	12,708			6,722	6,559		6,817
Average inventory end of year ..... \$	8,397	12,774			6,810	6,927		7,513
Average cost of goods sold, per store . \$	126,056	138,604			112,097	114,130		114,094
Stock turnover (times per year) .....	14.9	10.9			16.6	16.9		15.9
Number of working proprietors .....	36	21	SAMPLE	SAMPLE	29	18	SAMPLE	34
Gross trading profit (% of sales) .....	15.9	13.8			14.9	14.3		14.9
Operating expenses (% of sales):								
Employees' salaries .....	6.9	6.1			5.4	5.7		6.7 <sup>(a)</sup>
Advertising .....	0.3	0.2			0.2	0.3		0.2
Store supplies .....	0.9	0.7	T00	T00	1.1	1.0	T00	1.1
Bad debts .....	0.2	0.1			0.1	0.2		(a)
Taxes and insurance .....	0.5	0.5			0.3	0.3		0.4
Rent .....	-	-			0.8	0.7		0.8
Light, heat and power .....	0.4	0.3			0.3	0.2		0.3
Repair and maintenance .....	0.5	0.5			0.4	0.5		0.5
Depreciation .....	0.5	0.6			0.4	0.3		0.4
All other expenses .....	1.3	0.9	SMALL	SMALL	0.7	0.9	SMALL	0.8
Total expenses .....	11.5	9.9			9.7	10.1		11.2
Net profits before deduction of proprietors' salaries and income tax.	4.4	3.9			5.2	4.2		3.7
Average net earnings per store ..... \$	6,512	6,245			6,845	5,602		4,970
Average customers' accounts outstanding \$	5,769	5,558			3,858	4,200		2,555

(a) Less than 0.05 per cent.

Table 13.--Combination Stores - Operating Results Classified According to Delivery Service  
by Size of Business and Occupancy Class, Canada, 1945

Item	Less than \$10,000				\$10,000 - \$19,999				\$20,000 - \$49,999			
	Owned		Rented		Owned		Rented		Owned		Rented	
	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery
Number of stores reporting ..	11	11			60	25	25		140	27	164	14
Average sales per store ... \$	7,022	6,041			15,247	15,764	15,859		32,949	29,079	35,707	31,870
Average cost of goods sold, per store .....	\$ 5,684	4,878	SAMPLE	SAMPLE	12,935	13,415	13,099	SAMPLE	28,158	25,224	30,091	27,403
Number of working proprietors	11	12			61	25	28		154	33	173	15
Gross trading profit .....	19.1	19.3			15.2	14.9	17.4		14.5	13.3	15.7	14.0
Operating expenses:												
Employees' salaries .....	0.4	0.6			2.3	1.0	3.4		3.5	2.2	4.6	2.2
Store supplies .....	1.8	0.5			1.2	1.1	1.5		1.1	0.8	1.1	0.9
Repair and maintenance ....	1.1	0.8			0.8	0.9	0.9		0.5	0.6	0.4	0.4
Depreciation .....	0.7	1.6	T00	T00	0.8	1.0	0.3	T00	0.8	0.8	0.5	0.4
Total expenses .....	9.4	9.0			8.3	7.0	10.4		8.6	7.2	10.0	6.8
Net profits before deduction of proprietors' salaries and income tax .....	9.7	10.3			6.9	7.9	7.0		5.9	6.1	5.7	7.2
Average net earnings per store .....	\$ 683	624	SMALL	SMALL	1,039	1,248	1,107	SMALL	1,960	1,758	2,046	2,294
Average customers' accounts outstanding .....	\$ 216	42			303	363	306		871	956	706	184



Table 13. (Cont'd)--Combination Stores - Operating Results Classified According to Delivery Service by Size of Business and Occupancy Class, Canada, 1945

Item	\$50,000 - \$99,999				\$100,000 and Over			
	Owned		Rented		Owned		Rented	
	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery	No de- livery	Deliv- ery -	No de- livery
Number of stores reporting ..	121		167		48		66	
Average sales per store ... \$	70,897		71,130		161,531		131,505	
Average cost of goods sold, per store ..... \$	60,775	SAMPLE	60,213	SAMPLE	138,041	SAMPLE	112,091	SAMPLE
Number of working proprietors	146		204		69		87	
Gross trading profit .....	14.3		15.3		14.5		14.8	
Operating expenses:								
Employees' salaries .....	5.3		5.6		6.4		6.0	
Store supplies .....	0.9		1.1		0.9		1.2	
Repair and maintenance ....	0.5		0.4		0.5		0.4	
Depreciation .....	0.6	T00	0.4	T00	0.6	T00	0.4	T00
Total expenses .....	9.5		10.3		10.7		10.5	
Net profits before deduction of proprietors' salaries and income tax .....	4.8		5.0		3.8		4.3	
Average net earnings per store ..... \$	3,360	SMALL	3,571	SMALL	6,216	SMALL	5,644	SMALL
Average customers' accounts outstanding ..... \$	2,222		1,920		5,425		3,488	

Table 14. -- Combination Stores - Operating Results Classified According to Degree of Net Profit  
by Size of Business and Occupancy Class, Canada, 1945

Item	Less than \$10,000				\$10,000 - \$19,999				\$20,000 - \$49,999	
	Owned		Rented		Owned		Rented		Owned	
	Below Average	Above Average	Below Average	Above Average	Below Average	Above Average	Below Average	Above Average	Below Average	Above Average
Number of stores reporting ..	13	10			53	33	17	14	54	75
Average sales per store ... \$	7,118	6,106			15,825	14,550	15,667	15,086	33,584	30,825
Average cost of goods sold, per store ..... \$	5,847	4,757	SAMPLE	SAMPLE	13,703	11,928	13,275	12,190	29,111	25,982
Number of working proprietors	14	10			54	34	18	14	105	84
Gross trading profit .....	17.9	22.1			13.4	18.0	15.3	19.2	13.3	15.7
Employees' salaries .....	0.7	0.4	T00	T00	2.0	1.5	3.8	1.8	3.7	2.7
Total expenses .....	10.3	8.5			8.1	7.6	10.4	9.4	9.1	7.4
Net profits before deduction of proprietors' salaries and income tax .....	7.6	13.6	SMALL	SMALL	5.3	10.4	4.9	9.8	4.2	8.3
Average net earnings per store ..... \$	540	832			844	1,512	773	1,480	1,428	2,552

Item	\$20,000 - \$49,999		\$50,000 - \$99,999				\$100,000 and Over			
	Rented		Owned		Rented		Owned		Rented	
	Below Average	Above Average	Below Average	Above Average	Below Average	Above Average	Below Average	Above Average	Below Average	Above Average
Number of stores reporting ..	113	77	75	54	86	85	27	22	37	32
Average sales per store ... \$	35,639	34,228	71,335	69,508	74,495	67,775	185,812	130,055	138,856	134,953
Average cost of goods sold, per store ..... \$	30,377	28,391	61,698	58,826	63,764	56,665	159,961	109,797	119,676	113,650
Number of working proprietors	116	85	82	73	98	111	35	35	43	51
Gross trading profit .....	14.8	17.1	13.5	15.4	14.4	16.4	13.9	15.6	13.8	15.8
Employees' salaries .....	5.1	3.5	5.7	4.7	6.1	5.0	6.6	6.0	6.4	5.5
Total expenses .....	10.5	8.9	10.2	8.6	11.1	9.4	11.2	9.7	11.0	9.6
Net profits before deduction of proprietors' salaries and income tax .....	4.3	8.2	3.3	6.8	3.3	7.0	2.7	5.9	2.8	6.2
Average net earnings per store ..... \$	1,537	2,809	2,340	4,705	2,430	4,716	5,074	7,616	3,890	8,349



### C. Meat Markets

These stores are engaged principally in selling fresh meats with poultry, fish and dairy products. If dry groceries form more than 20 per cent of sales the business is classified as a combination store.

A total of 475 usable reports were received. When classified by size of business and occupancy basis the number of stores in all groups except rented stores with sales less than \$10,000 was sufficiently large to allow publication of results.

#### Trends by Size of Business (Table 15, page 41)

The gross trading profit ratio, decreasing with sales volume, coupled with an upward trend in expenses, resulted in a considerable decline in net profit ratio to sales in the large stores. Salaries paid to employees accounted for a large share of the total expenses and were greater than in other types of food stores. Because of their larger volume of business, net profits of large meat markets were much greater in dollar value than the net earnings of the average small meat market. In making comparisons with the average store net earnings before deduction of proprietors' salaries, account must be taken of the number of proprietors actively engaged in the different groups.

Inventories were greater at the end of the year than at the beginning for all classes shown. The stock turnover rate fluctuated considerably due to the nature of commodities handled.

#### Comparison with Previous Years (Chart 3, page 40)

Surveys on operating results were taken in 1938 and in 1944. Some of the business size ranges were not identical for the different surveys but results are shown in Chart 3 for groups which are comparable. While recent years show smaller gross margins, expense curtailment, due to wartime restrictions and regulations, was such that a greater net profit was realized. No change in over-all net profit took place between 1944 and 1945.

### D. Fruit and Vegetable Stores

These stores specialize in selling fresh fruits and vegetables so that 50 per cent or more of their sales are made up of such commodities. Other lines handled are; groceries, tobacco, confectionery, and a variety of miscellaneous food products. A total of 260 usable reports were received from independent unincorporated stores.

#### Trends by Size of Business (Table 16, page 42)

When classified by size of business and occupancy basis, rented stores in the smallest and largest size class were too few to allow publication of results. The fluctuation in the rate of stock turnover is partly due to the different ratios of perishable and non-perishable goods carried by the reporting stores in the different size classes. In common with other food stores, gross margin, as a percentage of net sales, declined as the size of business increased. The total expense ratio did not increase with the increasing volume of business so that the net profit ratio did not

decline as rapidly as the gross margin. A lesser increase in salary expense, due to a greater number of partnership businesses in the higher brackets, accounted for this fact. The number of proprietors in relation to the number of stores reporting has a greater significance when comparing average store net earnings.

#### E. Confectionery Stores

Stores classified as confectionery stores are those retailing principally such products as candy and confectionery, soft drinks, tobacco, ice cream, papers and magazines. Although other products are handled, the products mentioned above must form 50 per cent of total sales. Light lunches may form a part of the business but not over 40 per cent.

A total of 301 usable reports were received but when classified as to size of business and occupancy basis, only the first three sizes can be shown.

#### Trends by Size of Business (Table 17, page 43)

Gross trading profit decreased in ratio to net sales as the volume of business expanded with rented stores greater than owned stores in each size class. A slight increase in expenses coupled with the decreasing margin netted a final profit ratio which decreased considerably in the larger stores. Due to business volume the dollar value of average store net earnings increased in proportion to sales.

The inventory position was better at the end of the year than at the beginning for all groups shown. Stock turnover rate did not rise to any degree with increased sales volume.



CHART 3

# OPERATING RESULTS OF RETAIL MEAT MARKETS, 1945

PERCENTAGE  
OF NET SALES

GROSS MARGIN = NET PROFIT + SALARIES + OTHER EXPENSES

PERCENTAGE  
OF NET SALES

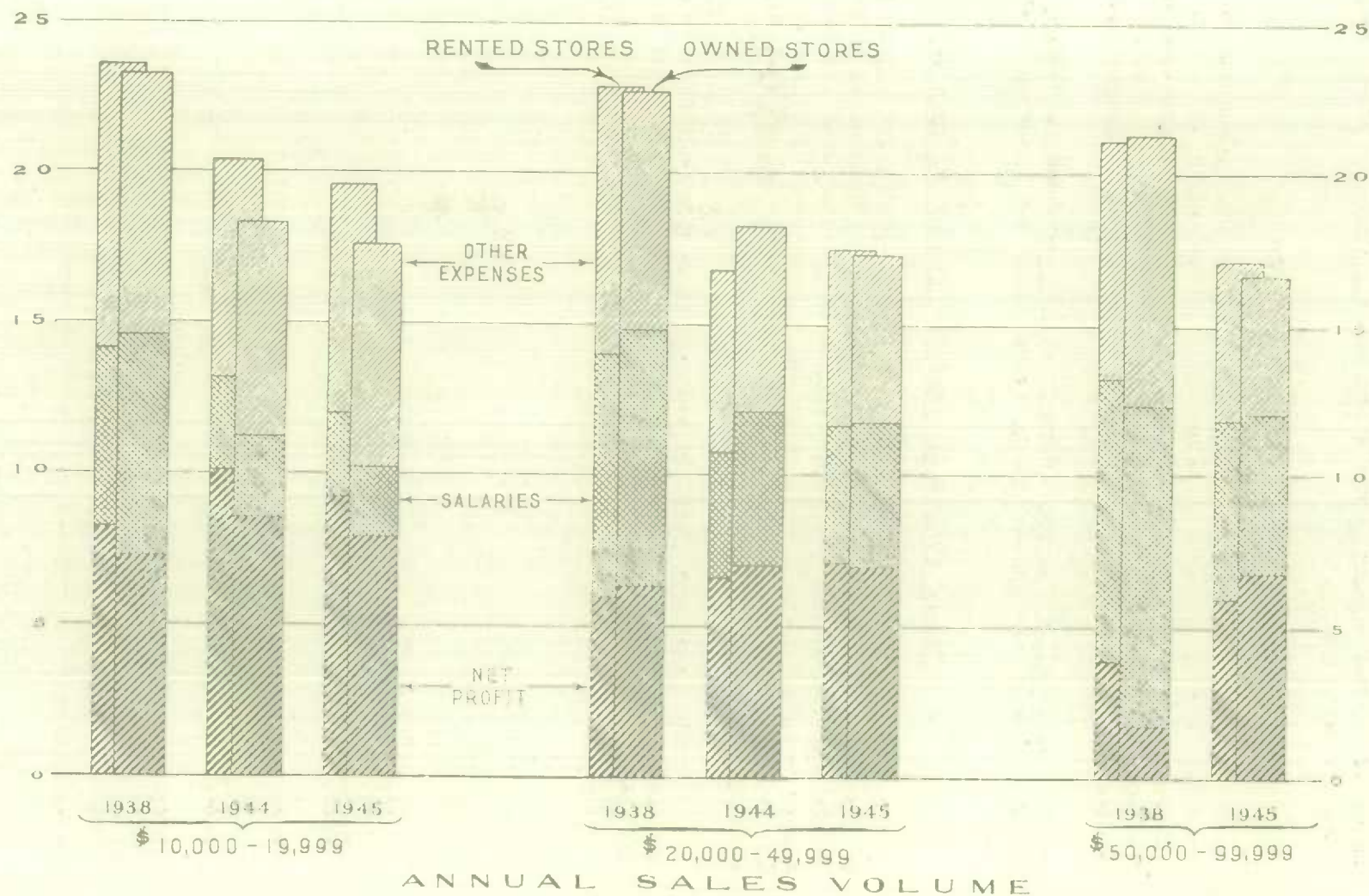


Table 15. - Meat Markets - Operating Results Classified According to Amount of Annual Sales and Occupancy Basis, Canada, 1945

Item	AMOUNT OF ANNUAL SALES									
	Less than \$10,000		\$10,000-\$19,999		\$20,000-\$49,999		\$50,000-\$99,999		\$100,000 and Over	
	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented
Number of stores reporting .....	14		42	52	69	151	23	79	16	23
Average sales per store .....	\$ 8,146		14,985	15,561	32,906	34,226	71,656	68,696	156,827	148,594
Average inventory beginning of year .....	181		360	488	673	669	1,031	1,097	3,155	2,828
Average inventory end of year .....	191		391	497	736	677	1,369	1,202	3,916	3,144
Average cost of goods sold per store .....	\$ 6,421		12,348	12,515	27,194	28,249	59,782	56,935	132,152	125,635
Stock turnover (times per year) ...	34.5		32.9	25.4	38.6	42.0	49.8	49.5	37.4	42.1
Number of working proprietors .....	14	SAMPLE	46	54	76	171	28	108	20	30
Gross trading profit (% of sales)	21.2		17.6	19.6	17.4	17.5	16.6	17.1	15.7	15.5
Operating expenses (% of sales):										
Employees' salaries .....	2.7		2.3	2.8	4.8	4.6	5.3	5.9	7.0	6.5
Advertising .....	0.2		0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1
Store supplies .....	2.1		2.0	1.3	1.3	1.4	1.2	1.3	1.3	1.5
Bad debts .....	0.2	TOO	0.4	0.2	0.1	0.1	0.1	0.1	0.1	(a)
Taxes and insurance .....	0.7		0.8	0.5	0.6	0.3	0.6	0.3	0.5	0.3
Rent .....	-		-	2.0	-	1.3	-	1.0	-	0.9
Light, heat and power .....	1.0		1.0	0.9	0.8	0.5	0.4	0.4	0.4	0.3
Repair and maintenance .....	0.8		0.8	0.7	0.6	0.3	0.5	0.4	0.5	0.3
Depreciation .....	0.7		1.0	0.8	0.7	0.6	0.7	0.5	0.5	0.4
All other expenses .....	1.4		1.3	1.1	1.4	1.2	1.0	1.2	1.6	1.3
Total expenses .....	9.8	SMALL	9.7	10.4	10.4	10.4	9.9	11.2	12.1	11.6
Net profits before deduction of proprietors' salaries and income tax	11.4		7.9	9.2	7.0	7.1	6.7	5.9	3.6	3.9
Average net earnings per store	\$ 926		1,185	1,432	2,286	2,423	4,787	4,067	5,714	5,761
Average customers' accounts outstanding	\$ 168		258	285	840	467	1,418	1,343	3,931	5,064

(a) Less than 0.05 per cent.



**Table 16.--Fruit and Vegetable Stores - Operating Results Classified According to Amount of Annual Sales and Occupancy Basis, Canada, 1945**

Item	AMOUNT OF ANNUAL SALES									
	Less than \$10,000		\$10,000-\$19,999		\$20,000-\$49,999		\$50,000-\$99,999		\$100,000 and Over	
	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented
Number of stores reporting .....		11	12	34	34	102	11	43		9
Average sales per store ..... \$		8,254	16,329	15,624	31,674	33,116	62,445	65,707		108,602
Average inventory beginning of year ... \$		429	453	625	986	1,145	1,093	2,082		2,547
Average inventory end of year ..... \$		395	448	694	1,020	1,204	1,609	2,162		2,365
Average cost of goods sold, per store . \$		6,524	13,299	12,784	26,666	27,555	53,845	55,036		93,975
Stock turnover (times per year) .....		15.8	29.5	19.4	26.6	23.5	39.9	26.1		38.3
	SAMPLE								SAMPLE	
Number of working proprietors .....		11	13	37	44	143	16	68		20
Gross trading profit (% of sales) .....		20.9	18.5	18.2	15.8	16.8	13.7	15.8		13.5
Operating expenses (% of sales):										
Employees' salaries .....		0.5	2.5	2.4	2.9	3.5	3.1	3.8		3.4
Advertising .....		(a)	(a)	(a)	0.1	0.1	(a)	0.1		(a)
Store supplies .....		1.4	1.9	1.2	1.9	1.7	1.5	1.7		1.5
Bad debts .....	T00	-	0.2	0.2	(a)	(a)	(a)	-	T00	(a)
Taxes and insurance .....		0.8	1.3	0.5	1.0	0.4	0.7	0.4		0.4
Rent .....		4.8	-	2.4	-	2.2	-	1.8		1.3
Light, heat and power .....		0.8	1.3	0.9	0.6	0.5	0.6	0.4		0.2
Repair and maintenance .....		0.2	0.7	0.5	0.3	0.4	0.4	0.3		0.3
Depreciation .....		0.1	0.6	0.3	0.8	0.2	0.5	0.3		0.2
All other expenses .....		2.0	1.1	1.2	0.8	0.9	1.1	1.0		1.2
Total expenses .....	SMALL	10.6	9.6	9.6	8.4	9.9	7.9	9.8	SMALL	8.6
Net profits before deduction of proprietors' salaries and income tax.		10.3	8.9	8.6	7.4	6.9	5.8	6.0		4.9
Average net earnings per store ..... \$		851	1,461	1,344	2,345	2,280	3,642	3,954		5,313
Average customers' accounts outstanding \$		16	2	20	85	65	262	527		573
(a) Less than 0.05 per cent.										

Table 17.--Confectionery Stores - Operating Results Classified According to Amount of Annual Sales and Occupancy Basis, Canada, 1945

Item	AMOUNT OF ANNUAL SALES							
	Less than \$10,000		\$10,000- \$19,999		\$20,000- \$49,999		\$50,000- \$99,999	
	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented
Number of stores reporting .....	35	35	35	83	25	83		
Average sales per store ..... \$	6,494	7,197	14,651	14,742	30,149	27,755		
Average inventory beginning of year ... \$	731	399	730	857	1,632	1,328		
Average inventory end of year ..... \$	787	397	810	889	1,763	1,418		
Average cost of goods sold, per store . \$	5,255	5,799	12,224	12,050	25,387	22,830		
Stock turnover (times per year) .....	11.9	14.6	15.9	13.8	15.0	16.6		
Number of working proprietors .....	37	37	38	87	30	88	SAMPLE	SAMPLE
Gross trading profit (% of sales) .....	19.1	19.4	16.5	18.2	15.8	17.7		
Operating expenses (% of sales):								
Employees' salaries .....	0.9	0.6	1.7	2.3	3.4	3.9		
Advertising .....	(a)	0.1	(a)	0.1	0.1	0.1		
Store supplies .....	0.5	0.7	0.6	0.7	0.7	0.6		
Bad debts .....	0.1	0.2	0.1	0.1	(a)	0.1	T00	T00
Taxes and insurance .....	1.2	0.7	0.9	0.6	0.7	0.4		
Rent .....	-	3.4	-	2.4	-	1.9		
Light, heat and power .....	1.9	1.8	1.3	1.0	0.9	0.9		
Repair and maintenance .....	0.9	0.6	0.8	0.4	0.6	0.6		
Depreciation .....	0.6	0.4	0.8	0.5	0.8	0.4		
All other expenses .....	0.8	0.9	0.7	0.8	0.8	0.9		
Total expenses .....	6.9	9.4	6.9	8.9	8.1	9.8	SMALL	SMALL
Net profits before deduction of proprietors' salaries and income tax.	12.2	10.0	9.6	9.3	7.7	7.9		
Average net earnings per store ..... \$	792	717	1,412	1,372	2,331	2,212		
Average customers' accounts outstanding \$	13	17	29	50	57	52		

(a) Less than 0.05 per cent.



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