

Such statistics have been gathered to assist merchants in assessing the efficiency of various phases of their operations, to provide estimates of the contribution made to national income by unincorporated retail stores and to assist the prospective entrant into any of the retail trades in sizing up his opportunities and prospects of success. Since publication of recent detailed studies, their value as a basis for marketing research and as essential elements in the understanding of the structure of retail distribution has become evident.

Attention has been focussed on the relations between net sales, gross trading profit or margin, operating expenses and net profit. Expenses have been examined in some detail to include salaries and wages paid to employees; advertising; store supplies; losses on bad debts; tax and insurance costs; rentals; heat, light and power used; repair and maintenance expense; depreciation; and other items.

While certain operational features of the retail trade are a part of the annual summary of distribution from 1933 to 1940, it has been only since 1944 that comprehensive surveys have been made. These have depended upon representative samples of firms for basic data. In most of the trades, results are available for 1944, 1945 and 1946 in detail, with certain phases of the information extant for 1941 and 1938.

30.—Operating Ratios in Retail Trades, by Kinds of Business, 1946

NOTE.—Independent, unincorporated firms only. All figures except stock turnover are percentages of net sales.

Kind of Business	Cost of Goods Sold	Gross Margin	Total Operating Expenses ¹	Salaries and Wages ²	Occupancy Expense ³	Net Profit ⁴	Inventories		Stock Turn-over Times per Year ⁵
							Begin-ning	Ending	
	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.	p. c.	No.
Grocery.....	85.7	14.3	8.3	3.8	2.5	6.0	7.1	8.1	11.4
Combination stores.....	84.9	15.1	10.3	5.6	2.4	4.8	5.2	6.2	14.9
Meat.....	82.8	17.2	11.4	5.9	2.7	5.8	2.0	2.4	37.2
Confectionery.....	81.1	18.9	10.1	3.9	4.4	8.8	5.7	6.9	13.0
Fruits and vegetables.....	83.9	16.1	9.6	3.7	3.2	6.5	3.2	3.6	24.6
Men's clothing.....	73.1	26.9	13.2	5.9	3.8	13.7	17.2	23.0	3.6
Family clothing.....	76.2	23.8	13.1	5.9	3.5	10.7	21.7	26.3	3.2
Women's ready-to-wear...	72.9	27.1	16.2	6.9	4.7	10.9	14.3	17.7	4.6
Family shoe.....	73.2	26.8	14.3	6.9	4.2	12.5	22.7	27.5	2.9
Country general.....	84.5	15.5	8.9	4.3	2.5	6.6	16.7	19.4	4.7
Dry goods.....	74.2	25.8	13.3	6.3	3.7	12.5	19.4	23.4	3.5
Furniture.....	73.3	26.7	15.2	6.2	4.1	11.5	14.1	19.7	4.3
Household appliances and radio.....	70.8	29.2	17.6	8.5	4.0	11.6	8.4	15.2	6.0
Hardware.....	76.3	23.7	12.2	6.1	3.1	11.5	18.5	22.6	3.7
Restaurants.....	62.8	37.2	29.2	18.2	7.4	8.0	1.9	2.2	30.6
Restaurants with merchandise.....	68.1	31.9	23.1	12.9	7.1	8.8	3.1	3.6	20.5
Coal and wood.....	78.9	21.1	16.1	8.4	3.3	5.0	3.9	6.7	14.9
Drug stores without fountain.....	72.8	27.2	15.0	7.8	3.9	12.2	17.5	19.7	3.9
Drug stores with fountain..	75.2	24.8	15.0	8.1	3.9	9.8	14.1	15.4	5.1
Jewellery.....	62.9	37.1	20.7	10.1	5.0	16.4	27.2	36.1	2.0
Tobacco.....	84.4	15.6	7.7	2.9	3.5	7.9	7.3	8.4	10.8
Filling stations.....	81.8	18.2	11.5	6.0	3.4	6.7	2.8	3.4	26.3
Garages.....	72.3	27.7	18.9	10.9	4.6	8.8	5.6	7.1	11.4

¹ Includes salaries and wages, occupancy expense and store supplies plus all other expenses. ² Salaries and wages do not include proprietors' salaries. ³ Includes taxes and insurance, light, heat and power, repairs, maintenance, depreciation and rentals on rented premises. ⁴ Includes proprietors' salaries or withdrawals. ⁵ Cost of goods sold, divided by average of beginning and year-end inventories.