

The first comprehensive study called for considerable detail of expenses, classified between head office and warehouse expense and store expense. Results were presented by chain-size groupings where there was a sufficient number of contributing firms and, where possible, an analysis of expenses between the functions of head office and warehouse and store expenses was also shown. The items of profit and expense were related to net sales and included the following: gross margin or profit; executive salaries; employees' salaries; employees' benefits; occupancy cost; taxes; repairs; depreciation; supplies used; heat, light and power; advertising; travelling expense; communication; bad debt loss; all other expense, income taxes (for incorporated firms); and net profit.

This study of retail chains and a similar one taken on the 1947 operations of certain major wholesale trades adds more data about the costs of distribution as provided by retailers and middlemen.

30.—Operating Ratios in Retail Chain Stores for Selected Kinds of Business, 1947

NOTE.—All figures except stock turnover are percentages of net sales.

Kind of Business	Cost of Goods Sold	Gross Profit	Total Operating Expenses ¹	Salaries and Wages ²	Occupancy Expense ³	Supplies Used	Net Profit Before Income Tax	Stock Turn-over Times per Year ⁴
	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.	No.
Grocery.....	83-20	16-80	14-44	9-42	1-27	0-75	2-36	8-3
Combination.....	84-01	15-99	13-23	8-38	0-88	0-71	2-76	14-7
Meat.....	79-49	20-51	17-24	11-28	1-23	1-03	3-27	39-4
Men's clothing.....	70-05	29-95	22-41	12-66	2-92	1-03	7-54	3-8
Women's clothing.....	69-82	30-18	24-03	11-59	4-53	1-00	6-15	5-5
Family clothing.....	73-62	26-38	20-78	12-86	1-74	0-49	5-60	4-0
Shoes.....	69-25	30-75	24-23	14-55	4-19	0-78	6-52	2-6
Variety.....	62-33	37-67	24-63	15-91	3-97	0-82	13-04	5-2
Drug.....	65-82	34-18	28-83	16-07	4-69	0-69	5-35	4-0
Furniture.....	67-43	32-57	24-74	13-86	2-31	0-93	7-83	3-2

¹ Includes salaries and wages, occupancy expense, store supplies and all other expenses. ² Salaries and wages include proprietors' salaries, executive salaries and employees' salaries and wages. ³ Includes taxes, insurance, repairs, maintenance and depreciation on real estate, rentals paid for rented premises, and light, heat and power. ⁴ Cost of goods sold divided by average of beginning and year-end inventories.

Retail Consumer Credit.—Studies on retail consumer credit were conducted by the Wartime Prices and Trade Board and results were compiled on five retail trades to June, 1945. In 1947, the Dominion Bureau of Statistics undertook the survey and results are now available on a quarterly basis. The sample of firms first used has been increased and improved and now covers 16 retail trades in which consumer credit purchasing is an important factor.

The combined results of these trades are presented in index form in Table 31 by three-month periods and show cash, instalment, and charge sales and instalment and charge accounts receivable at the end of each period. Sales are based on an average quarter of 1941 and receivables on the amount outstanding on the books of the sample firms at Dec. 31, 1941. The percentage composition of sales and receivables, and sales-receivables ratios and number of days credit outstanding are also shown.