

**Operating Results of Retail Stores.**—The operating results series is conducted on a biennial basis—retail chain stores and wholesale trade were covered for 1947 and 1949, and independent retail stores were last surveyed on 1950 operations. The latest available data on retail chain stores (1949) appear in the 1951 Year Book, pp. 848-849, and are not repeated here.

**Retail Independent Stores.**—Studies concerning the operating ratios of independent retail merchants have been carried on over an extended period. 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 estimating his opportunities and prospects of success. Since the publication of recent detailed studies, their value has become evident as a basis for marketing research and as essential elements in the understanding of the structure of retail distribution.

Attention has been focussed on the relationships 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.

Table 21 reviews some of the operating features of various trades based on 1950 averages.

### 21.—Operating Ratios in Retail Trade, by Kinds of Business, 1950

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

Kind of Business	Cost of Goods Sold	Gross Margin	Total Operating Expenses <sup>1</sup>	Salaries and Wages <sup>2</sup>	Occupancy Expenses <sup>3</sup>	Net Profit before Income Tax <sup>4</sup>	Inventories		Stock Turn-over <sup>5</sup>
							Beginning	Ending	
<b>Unincorporated</b>	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.	p.c.	No.
Grocery.....	85-6	14-4	9-2	3-7	2-8	5-2	7-5	8-3	10-9
Combination stores.....	85-1	14-9	10-8	5-3	2-6	4-1	5-7	6-6	13-9
Meat.....	83-9	16-1	11-1	5-1	2-7	5-0	1-8	2-1	43-4
Confectionery.....	81-8	18-2	10-7	3-9	5-0	7-5	6-9	7-6	11-3
Fruits and vegetables.....	82-5	17-5	11-6	4-1	3-8	5-9	4-1	4-7	18-8
Men's clothing.....	73-2	26-8	16-5	6-9	5-1	10-3	32-8	35-7	2-1
Family clothing.....	75-6	24-4	15-7	7-1	4-5	8-7	33-3	35-5	2-2
Women's ready-to-wear.....	73-2	26-8	19-1	8-2	5-9	7-7	20-2	21-9	3-5
Family shoe.....	72-6	27-4	16-8	7-6	5-4	10-6	37-3	40-5	1-9
Country general.....	85-5	14-5	9-0	4-1	2-6	5-5	21-0	22-4	3-9
Furniture.....	72-9	27-1	18-4	6-7	4-9	8-7	23-0	26-9	2-9
Household appliances and radios.....	72-2	27-8	17-8	8-5	3-6	10-0	13-9	18-9	4-4
Hardware.....	74-2	25-8	15-4	7-4	3-9	10-4	29-0	32-6	2-4
Restaurants.....	61-3	38-7	32-2	19-1	9-2	6-5	2-6	2-8	22-5
Coal and wood.....	79-4	20-6	15-5	4-1	2-1	5-1	5-7	6-3	13-2
Drug stores.....	71-1	28-9	17-0	8-5	4-6	11-9	20-4	21-9	3-4
Jewellery.....	61-2	38-8	24-8	11-2	6-9	14-0	40-4	44-7	1-4
Tobacco.....	82-4	17-6	10-2	4-3	4-1	7-4	10-2	11-0	7-8
Filling stations.....	81-3	18-7	12-7	6-8	3-9	6-0	3-4	4-0	18-7
Garages.....	72-2	27-8	20-1	11-2	5-3	7-7	6-2	7-2	10-7
<b>Incorporated</b>									
Men's clothing.....	70-2	29-8	25-0	14-0	5-3	4-8	27-5	31-7	2-4
Women's clothing.....	71-0	29-0	26-9	14-9	6-4	2-1	17-1	18-1	4-0
Family clothing.....	70-4	29-6	26-1	14-9	4-8	3-5	24-9	27-8	2-7
Shoes.....	68-0	32-0	27-2	15-6	6-4	4-8	31-3	34-9	2-1
Hardware.....	73-0	27-0	23-4	14-2	3-9	3-6	27-3	30-5	2-5
Coal and Wood.....	79-8	20-2	17-9	5-9	1-9	2-3	5-1	5-0	15-8
Drug.....	66-6	33-4	29-0	18-5	5-8	4-4	22-4	24-1	2-9
Jewellery.....	58-3	41-7	35-9	20-2	7-0	5-8	33-7	39-3	1-6

<sup>1</sup> Includes salaries and wages, occupancy expense and store supplies plus all other expenses. <sup>2</sup> Salaries and wages do not include delivery or proprietors' salaries. <sup>3</sup> Includes taxes and insurance, light, heat and power, repairs, maintenance, depreciation (except on delivery equipment) and rentals on rented premises. <sup>4</sup> Includes, for unincorporated stores, proprietors' salaries or withdrawals. <sup>5</sup> Times per year—cost of goods sold, divided by average of beginning and year-end inventories.