

PUBLICATION OF THE GRADUATE SCHOOL
OF BUSINESS ADMINISTRATION
GEORGE F. BAKER FOUNDATION—HARVARD UNIVERSITY

VOLUME XXIII, NUMBER 5
JULY, 1936

BUREAU OF BUSINESS RESEARCH
BULLETIN NUMBER 102

OPERATING RESULTS OF
DEPARTMENT AND SPECIALTY STORES
IN THE PACIFIC COAST STATES: 1935

BY
CARL N. SCHMALZ



PRICE 50 CENTS

HARVARD UNIVERSITY
GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
BUREAU OF BUSINESS RESEARCH
SOLDIERS FIELD, BOSTON, MASSACHUSETTS

DIVISION OF RESEARCH: BUSINESS RESEARCH STUDIES

No. 1.	Merchandising of Cotton Textiles — Methods and Organization, by M. T. Copeland and E. P. Learned	\$1.50
No. 2.	Raw Material Prices and Business Conditions, by Melvin T. Copeland	\$1.00
No. 3.	The Behavior of Consumption in Business Depression, by Arthur R. Tebbutt	\$1.00
No. 4.	Department Leasing in Department Stores, by Stanley F. Teele	\$1.00
No. 5.	International Raw Commodity Prices and the Devaluation of the Dollar, by Melvin T. Copeland	\$2.00
No. 6.	Managing Cloth Inventories in the Cotton Textile Industry, by John J. Madigan	\$1.00
No. 7.	Truck Selling: Simultaneous Selling and Delivery in Wholesale Food Distribution, by Lars J. Sandberg	\$1.00
No. 8.	The Effect of Size on Corporate Earnings and Condition, by William Leonard Crum	\$1.00
No. 9.	Management and the Worker: Technical vs. Social Organization in an Industrial Plant, by F. J. Roethlisberger and W. J. Dickson	50 cents
No. 10.	Corporate Earning Power in the Current Depression, by William Leonard Crum	50 cents
No. 11.	A Test of the Consumer Jury Method of Ranking Advertisements, by N. H. Borden and O. S. Lovekin	\$1.00
No. 12.	The Use of Statistical Techniques in Certain Problems of Market Research, by T. H. Brown	\$1.00
No. 13.	The Distribution of Wealth: A Factual Survey Based Upon Federal Estate-Tax Returns, by W. L. Crum	50 cents
No. 14.	Law and Labor Relations: A Study of the Industrial Disputes Investigation Act of Canada, by B. M. Selekman	\$1.00

BUREAU OF BUSINESS RESEARCH: BULLETINS IN PRINT

AUTOMOBILE TIRE AND ACCESSORY — RETAIL

No. 48.	Operating Expenses in the Retail Automobile Tire and Accessory Business in 1923	50 cents
---------	---	----------

AUTOMOTIVE EQUIPMENT — WHOLESALE

Operating Expenses in the Wholesale Automotive Equipment Business: 1924, No. 51; 1923, No. 42		50 cents each
---	--	---------------

BUILDING MATERIALS

No. 81.	Operating Results and Policies of Building Material Dealers in 1928	\$2.50
Operating Expenses of Building Material Dealers: 1927, No. 75; 1926, No. 64		\$1.50 each

CHAIN STORES

No. 101.	Operating Results of Department Store Chains and Department Store Ownership Groups: 1929, 1931-1934	\$1.00
No. 99.	Expenses and Profits of Food Chains in 1934	\$1.00
No. 98.	Expenses and Profits of Limited Price Variety Chains in 1934	\$1.00
No. 95.	Expenses and Profits of Variety Chains in 1933	\$1.00
No. 94.	Chain Store Expenses and Profits: An Interim Report for 1932	\$1.00
No. 93.	Expenses and Profits of Variety Chains in 1932	\$1.00
No. 90.	Expenses and Profits of Department Store Chains and Department Store Ownership Groups in 1931	\$1.00
No. 89.	Expenses and Profits of Variety Chains in 1931 Compared with 1929	\$1.00
No. 87.	Operating Results of Drug Chains in 1929	\$1.00
No. 86.	Operating Results of Shoe Chains in 1929	\$1.00
No. 84.	Expenses and Profits in the Chain Grocery Business in 1929	\$1.00

CORDAGE

No. 82.	Distribution of Hard Fibre Cordage (1927)	\$2.00
---------	---	--------

COTTON (See also TEXTILES)

No. 49.	A Study of Cotton Hedging for a Grey Goods Mill, 1921-23	50 cents
No. 17.	International Comparisons of Prices of Cotton Cloth — January, 1919 — March, 1920	50 cents

DEPARTMENT STORES (See also CHAIN STORES)

No. 102.	Operating Results of Department and Specialty Stores in the Pacific Coast States: 1935	50 cents
No. 100.	Operating Results of Department and Specialty Stores in 1935	\$2.50*
No. 97.	Operating Results of Department Stores in the Pacific Coast States: 1934	50 cents
No. 96.	Operating Results of Department and Specialty Stores in 1934	\$2.50*
No. 92.	Operating Results of Department and Specialty Stores in 1933	\$2.50*
No. 91.	Operating Results of Department and Specialty Stores in 1932	\$3.50*
No. 88.	Operating Results of Department and Specialty Stores in 1931	\$3.00*
Operating Results of Department and Specialty Stores: 1930, No. 85; 1929, No. 83		\$5.00 each*
No. 78.	Operating Expenses of Department Stores and Departmentized Specialty Stores in 1928	\$2.50
Operating Expenses of Department and Specialty Stores: 1927, No. 74; 1926, No. 63		\$1.50 each
No. 61.	Department Store Operating Expenses for 1926 (Prelim.), and Financial Ratios for 1923, 1924, 1925	\$1.50
No. 59.	Cases on Merchandise Control in Women's Shoe Departments of Department Stores (1926)	\$2.00
Operating Expenses in Department Stores: 1925, No. 57; 1924, No. 53; 1922, No. 37; 1921, No. 33		50 cents each

(Continued on inside back cover)

*To firms furnishing figures for the department store studies, to members of the National Retail Dry Goods Association, which financed the work, and to educational institutions, etc., the list price of Bulletins Nos. 83, 85, 88, 91, 92, 96, and 100 is \$1.00, and the regular discounts apply.

Orders for the publications listed on these pages should be addressed to the Bureau of Business Research, Harvard Graduate School of Business Administration, Soldiers Field, Boston, Massachusetts. Whenever possible the remittance should accompany the order. Checks should be made payable to the Bureau of Business Research.

Discounts: 50% to educational institutions, to professors, and to libraries operated by universities, municipalities, governments, or public institutions. Trade and quantity discounts on application.

OPERATING RESULTS OF
DEPARTMENT AND SPECIALTY STORES
IN THE PACIFIC COAST STATES: 1935

BY

CARL N. SCHMALZ

Assistant Professor of Marketing



HARVARD UNIVERSITY
GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
BUREAU OF BUSINESS RESEARCH
SOLDIERS FIELD, BOSTON, MASSACHUSETTS

HARVARD UNIVERSITY
GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
GEORGE F. BAKER FOUNDATION
WALLACE B. DONHAM, *Dean*
MALCOLM P. MCNAIR, *Director of Research*

Copyright, 1936
BY THE PRESIDENT AND FELLOWS OF
HARVARD COLLEGE

Publication of the Graduate School of Business Administration, Harvard University. Issued at Soldiers Field Station, Boston, Mass. eight times a year, during the months of March, April, May, June, July, August, October, and December. Entered as second class matter, May 17, 1913, at the postoffice at Boston, Mass., under the Act of August 24, 1912.

FOREWORD

This report on the margins, expenses, and profits of department and specialty stores in the three Pacific Coast states of Washington, Oregon, and California has been prepared to make publicly available, for the use of students, business men, and others, data indicating how the operating results of department and specialty stores in these states differ from the average results for the United States as a whole.

With a few exceptions the data on which this bulletin is based were used also in preparing the Bureau's Bulletin No. 100, which gives nation-wide common figures for department and specialty store operating results in 1935. The cost of the extra work done in connection with the present bulletin, however, was met entirely from a fund gathered by the San Francisco Bay Cities Controllers' Group which is affiliated, through the Controllers' Congress, with the National Retail Dry Goods Association. This fund was contributed by the Retail Dry Goods Association of San Francisco; the Retail Controllers' Association of Los Angeles; the Portland Controllers' Group; the Seattle Controllers' Group; the San Francisco Bay Cities Controllers' Group; the Retail Merchants Association of Oakland; Meier and Frank, Portland, Oregon; and Bullock's, Los Angeles, California. The Bureau appreciates deeply the assistance which these contributors have given. It wishes to thank, also, the seventy-four firms in Washington, Oregon, and California which reported their figures for this study; and the National Retail Dry Goods Association, which made possible the Bureau's nation-wide survey of 1935 operating results.

These department and specialty store surveys are part of a wider program of research in the cost of doing business among retail and other trades which is conducted by the Harvard Business School as one of its efforts toward assembling reliable and timely information for use in teaching.

The present bulletin was written by Assistant Professor Carl N. Schmalz, Manager of the Bureau of Business Research, who directed the study upon which it reports. The statistical and accounting phases of the work were supervised by Miss Elizabeth A. Burnham.

MALCOLM P. MCNAIR,
Director of Research

Boston, Massachusetts
July, 1936

CONTENTS

	PAGE
General Interpretation and Comment	I
Table 1. Operating Results for Department Stores According to the Form of Income Statement Approved by the National Retail Dry Goods Asso- ciation	I
Table 2. Merchandising Statistics and Profits for Department Stores	2
Table 3. Expenses by Natural Divisions for Department Stores	3
Table 4. Pay Roll and Total Expense by Functions for Department Stores	4
Table 5. Expenses by Natural and Functional Divisions for Department Stores	5
Table 6. Typical Operating Results for Department Stores in the Pacific Coast States, and in the Entire United States	6
Table 7. Expenses and Profit per Transaction, and in Percentage of Sales, for Department Stores	8
The Relation of Appeal and Character of Clientele to Department Store Operating Results	10
Table 8. Merchandising Statistics and Profits for Department Stores, Classified According to Appeal and Character of Clientele	11
Table 9. Expenses by Natural Divisions for Department Stores, Classified According to Appeal and Character of Clientele	11
Table 10. Pay Roll and Total Expense by Functions for Department Stores, Classified According to Appeal and Character of Clientele	12
Table 11. Expenses and Profit per Transaction, and in Percentage of Sales, for 3 Department Stores Emphasizing Price Appeal	12
Specialty Stores	13
Table 12. Merchandising Statistics and Profits for Specialty Stores	14
Table 13. Expenses by Natural Divisions for Specialty Stores	14
Table 14. Typical Operating Results for Specialty Stores in the Pacific Coast States, and in the Entire United States.	15
Table 15. Pay Roll and Total Expense by Functions for Specialty Stores	16
Appendix: Definitions, Materials, Method	17

OPERATING RESULTS OF DEPARTMENT AND SPECIALTY STORES IN THE PACIFIC COAST STATES: 1935

GENERAL INTERPRETATION AND COMMENT

The margins, expenses, and profits of department stores in the three Pacific Coast states of Washington, Oregon, and California are summarized in Tables 1, 2, and 3. Table 2, following the arrangement adopted in the 1934 report, gives detailed statistics on merchandising operations, and on earnings, for the six sales-volume groups into which it was possible to divide the reports received from department stores. Table 3 presents common figures for expense by natural divisions for these same six groups of stores.

More detailed information on expenses for two of the six volume groups appears in Table 4 and Table 5 where common figures are given for expenses classified by both natural divisions and functional and subfunctional divisions. Table 7 presents statistics on the average sale and on margin, expense, and profit in cents per transaction for eight of the nine Pacific Coast stores with sales of \$4,000,000 to \$20,000,000, together with corresponding percentage data for the same stores. Transaction figures are new to these (i.e., the West Coast) studies this year.

In Table 1, the information for two of the six groups is shown arranged according to the form of income statement approved by the Board of Directors of the National Retail Dry Goods Association on May 14, 1935. This form of statement can be used only where expenses by functional divisions are available. Since the data received from Pacific Coast department stores with sales of less than \$2,000,000 in 1935 did not permit the setting of reliable common figures for expenses by functions, Table 1 could not include data for stores with sales of less than \$2,000,000.

Many of the statistics for Pacific Coast stores necessarily have been based on relatively small numbers of reports, and for that reason care should be taken in using them. In some instances the common figures might have been different if a larger number of reports had been available. This word of warning is interjected even though, as is shown on page 17, the total sales of the firms reporting for this study amounted to more than 37% of the sales of all department and specialty stores in the three Pacific Coast states in 1935. Some lack of stability is to be expected always in dealing with average figures for limited geographical areas where the

total number of firms is limited. In general, however, the figures for the West Coast stores presented in this bulletin follow closely the nation-wide averages for 1935

Table 1. Operating Results for Department Stores in the Pacific Coast States in 1935 According to the Form of Income Statement Approved by the Board of Directors of the National Retail Dry Goods Association

Items	Sales Volume Groups	
	\$2,000,000-4,000,000	\$4,000,000-20,000,000
Number of Reports Giving Functional Data.....	10	9
Number of Reports Giving Other Data..	11‡	9
Index of Change in Sales (1935/1934)...	108.0	109.0
SALES.....	109.4%	112.3%
Less Returns (and allowances).....	9.4	12.3
NET SALES.....	100.0%	100.0%
MERCHANDISE COSTS		
Inventory — First of Period.....	16.2%	15.7%
Purchases (including inward freight, express, and truckage).....	67.2	65.65
	83.4%	81.35%
Less Cash Discounts.....	2.55	3.0
	80.85%	78.35%
Workrooms (and alteration costs)....	0.35	0.55
Occupancy.....	7.75	8.3
Buying, Receiving, and Marking.....	3.85	4.8
Publicity.....	5.25	4.95
	98.05%	96.95%
Less Inventory — End of Period.....	16.9	16.7
	81.15%	80.25%
Net Sales less Merchandise Costs.....	18.85%	19.75%
OPERATING COSTS		
Administrative.....	7.85%	7.5%
Selling.....	9.05	9.7
Delivery.....	1.35	1.45
	18.25%	18.65%
OPERATING INCOME OR LOSS.....	0.6%	1.1%
OTHER INCOME.....	2.6	3.4
NET PROFIT OR LOSS (before Federal Tax on Income).....	3.2%	4.5%

‡ Some of the reports covered the operations of more than one store.

published in Bulletin No. 100, which were based on this bulletin, but if a larger number of stores in the much larger samples. There seems to be little reason Pacific Coast states can report in the future the for questioning the essential reliability of the figures in resulting data will be still more trustworthy.

Table 2. Merchandising Statistics and Profits for Department Stores in the Pacific Coast States, by Sales Volume Groups: 1935

(Common Figures; Net Sales=100%, except where noted)

Items	Sales Volume Groups					
	Less than \$150,000	\$150,000-300,000	\$300,000-500,000	\$500,000-2,000,000	\$2,000,000-4,000,000	\$4,000,000-20,000,000
Number of Reports.....	13†	6†	7	7	11†	9
Aggregate Sales (in thousands).....	\$1,596	\$1,639	\$2,585	\$6,560	\$40,481	\$82,555
Typical Net Sales per Store (in thousands).....	\$100	\$240	\$340	\$850	\$2,650	\$8,000
Index of Change in Sales (1935/1934).....	104.5	108.0	114.0	112.5	108.0	109.0
Population of City (in thousands).....	10†	20†	40	60	300†	700
Initial Mark-up (% of original retail value) on Invoice Cost Delivered.....	*	*	*	37.4%†	38.3%	39.8%
Mark-downs.....	*	*	*	*	*	5.5%
Discounts to Employees and Others.....	*	*	*	*	*	0.8
Stock Shortages.....	*	*	*	*	*	1.05
Total Retail Reductions.....	*	*	*	7.45%†	7.7%	7.35%
Inward Freight, Express, and Truckage.....	1.8%	1.45%	1.4%†	*	1.35%	1.2%
Alteration and Workroom Costs (Net).....	*	0.6	0.5†	0.45%	0.35	0.55
Cash Discounts Received on Purchases (% of sales).....	2.0	2.85	2.75	2.3	2.55	3.0
Gross Margin.....	30.3	33.8	34.7	34.6	35.7	37.8
Total Merchandise Costs (Net).....	69.7%	66.2%	65.3%	65.4%	64.3%	62.2%
Total Expense.....	30.0	34.7	33.3	32.3	35.1	36.7
TOTAL COST.....	99.7%	100.9%	98.6%	97.7%	99.4%	98.0%
NET PROFIT OR LOSS.....	0.3%	L. 0.9%	1.4%	2.3%	0.6%	1.1%
Net Other Income (including interest on capital owned).....	2.2	3.5	2.9	3.2	2.6	3.4
NET GAIN before Federal Tax on Income:						
Percentage of Net Sales.....	2.5%	2.6%	4.3%	5.5%	3.2%	4.5%
Percentage of Net Worth.....	5.0	5.0	*	9.5	8.3	7.3
Federal Tax on Income.....	*	*	*	0.9%†	0.5%	0.6%
NET GAIN after Federal Tax on Income:						
Percentage of Net Sales.....	*	*	*	4.6%†	2.7%	3.9%
Percentage of Net Worth.....	*	*	*	8.0†	7.0	6.4†
Rate of Stock-turn (times a year):						
Based on Beginning and Ending Inventories.....	2.2	2.6	3.8	3.8	3.85	3.85
Based on Monthly Inventories.....	*	*	*	3.3†	3.4	3.7
Returns and Allowances:						
Percentage of Gross Sales.....	*	*	*	*	8.6%	10.95%
Percentage of Net Sales.....	*	*	*	*	9.4	12.3
% Cash Sales.....	} 61.0%†	*	*	*	} 46.0%	34.7%
% C.O.D. Sales.....		*	*	*		4.3
% Charge Sales.....		*	*	*		61.0
% Installment Sales.....	} 39.0†	*	*	*	} 54.0	
% of Firms Earning Some Net Profit.....	53.8%	33.3%	71.4%	71.4%	72.7%	66.7%
% of Firms Earning Some Net Gain.....	84.6	83.3	85.7	100.0	100.0	100.0

* Data not available. † Figures for this item were given on less than 75% of the reports used.

† Some of the reports covered the operations of more than one store. In such cases, the population of the city in which the main store was located was used in preparing the common figure for population. If the locations of the branch stores had been considered, the common figure for population would have been slightly lower.

Comparison with National Averages

In Table 6 common figures for the several groups of Pacific Coast department stores are arranged for convenient comparison with corresponding common figures representing the typical performance for stores of similar size in the entire United States. The United States figures in this table for stores with sales of \$500,000 to \$2,000,000 are weighted arithmetic averages of the respective figures in Bulletin No. 100 for stores with sales of \$500,000 to \$750,000, \$750,000 to \$1,000,000, and \$1,000,000 to \$2,000,000. Similarly the United States data in Table 6 for stores with sales of \$4,000,000 to \$20,000,000 are weighted arithmetic averages of those in Bulletin No. 100 for department stores with sales of \$4,000,000 to \$10,000,000 and \$10,000,000 to \$20,000,000.

Examination of this table indicates that the Pacific

Coast stores in 1935 typically had higher percentages of increase in sales, higher rates of initial mark-up and gross margin, and higher rates of profit. These higher rates of profit are evidenced in the figures for net profit or loss on merchandising operations (after including interest as an expense), by the figures for net gain or net business profit as a percentage of net sales and as a percentage of net worth, and by the percentage of profitable firms to total firms. Similar statements were true for 1934. In other words, department store operations in the three Pacific Coast states in 1934 and 1935 on the whole were more satisfactory than they were typically in the rest of the United States.

Sales and Mark-up

The advantage enjoyed by the Pacific Coast department stores in the form of higher rates of increase in

Table 3. Expenses by Natural Divisions for Department Stores in the Pacific Coast States, by Sales Volume Groups: 1935
(Common Figures; Net Sales=100%, except where noted)

Items	Sales Volume Groups					
	Less than \$150,000	\$150,000-300,000	\$300,000-500,000	\$500,000-2,000,000	\$2,000,000-4,000,000	\$4,000,000-20,000,000
Number of Reports.....	13†	6†	7	7	11†	9
Aggregate Sales (in thousands).....	\$1,596	\$1,639	\$2,585	\$6,560	\$40,481	\$82,555
Typical Net Sales per Store (in thousands).....	\$100	\$240	\$340	\$850	\$2,650	\$8,000
Index of Change in Sales (1935/1934).....	104.5	108.0	114.0	112.5	108.0	109.0
Population of City (in thousands).....	10†	20†	40	60	300†	700
Total Pay Roll.....	16.2%	18.8%	18.9%	17.0%	16.75%	18.4%
Real Estate Costs (See Appendix, page 19).....	3.65	4.2	3.5	2.9	4.4	4.6
Newspaper Advertising.....	*	*	2.2	*	3.45†	2.95
Direct Advertising.....	*	*	0.75	*	0.15†	0.3
Other Advertising.....	*	*	0.75	*	0.35†	0.25
Total Advertising (subtotal).....	2.6	2.8	(2.95)	3.8	(3.95)	(3.5)
Taxes (See Appendix, page 19).....	0.6	0.55	0.7	0.6	0.55	0.55
Interest (except on real estate).....	2.35	3.0	2.0	2.25	2.2	2.2
Supplies.....	0.7	0.75	1.0	1.35	1.6	1.9
Service Purchased.....	0.85	0.8	1.1	0.85	1.65	1.3
Unclassified: Losses from Bad Debts.....	0.3	0.4	0.1	0.55	0.5	0.05**
Other.....	0.8	0.4	0.7	0.65	0.7	0.9
Travelling.....	0.35†	0.3	0.3	0.3	0.35	0.45
Communication.....	0.3	0.55	0.5	0.45	0.45	0.55
Repairs.....	0.1†	0.4	0.3	0.35	0.35	0.3
Insurance (except on real estate).....	0.5	0.5	0.4	0.4	0.35	0.3
Depreciation (except on real estate).....	0.6	1.0	0.65	0.4	0.75	1.15
Professional Services (See Appendix, page 19).....	0.1†	0.25	0.2	0.45	0.55	0.55
TOTAL EXPENSE.....	30.0%	34.7%	33.3%	32.3%	35.1%	36.7%
Sales per Square Foot of Total Space.....	*	*	\$15.00	*	\$14.40	\$18.50
Real Estate Costs per Square Foot of Total Space.....	*	*	0.53	*	0.63	0.85
Sales/Total Number of Employees.....	*	*	*	*	\$6,200	\$6,150
Sales/Number of Selling Employees.....	*	*	*	*	11,000	14,300
Losses from Bad Debts (% of charge sales).....	*	*	*	*	0.95%	*

* Data not available. † Figures for this item were given on less than 75% of the reports used.

‡ Some of the reports covered the operations of more than one store. In such cases, the population of the city in which the main store was located was used in preparing the common figure for population. If the locations of the branch stores had been considered, the common figure for population would have been slightly lower.

** This common figure results in part from the fact that in several cases recoveries exceeded losses from bad debts.

Table 4. Pay Roll and Total Expense by Functions for Department Stores in the Pacific Coast States with Net Sales of \$2,000,000 to \$20,000,000, by Sales Volume Groups: 1935

(Common Figures; Net Sales = 100%)

Items	Sales Volume Groups	
	\$2,000,000-4,000,000	\$4,000,000-20,000,000
Number of Reports.....	10	9
PAY ROLL		
Administrative and General		
Executive.....	0.8%†	0.6%
Accounting Office.....	0.85	1.0
Accounts Receivable and Credit....	0.75	0.8
Executive Office.....	0.75	0.05
Superintendency and General Store..	0.75	0.8
Total Administrative and General..	3.15%	3.25%
Occupancy		
Operating and Housekeeping.....	0.95	1.1
Heat, Light, and Power.....	0.0	0.05†
Total Occupancy.....	0.95%	1.15%
Publicity		
Sales Promotion and General Advertising.....	0.4	0.45
Display.....	0.4	0.35
Total Publicity.....	0.8%	0.8%
Buying and Merchandising		
Merchandise Managers and Assistants.....	0.35†	0.55
Buyers and Assistants.....	2.25†	2.55
Receiving and Marking.....	0.65	0.5
Other.....	0.65	0.35
Total Buying and Merchandising...	3.25%	3.95%
Direct and General Selling		
Salespeople.....	7.2	6.8
Floor Superintendents and Section Managers.....	0.2†	0.45
Other.....	0.9†	1.5
Total Direct and General Selling...	8.3%	8.75%
Delivery.....	0.3	0.5
Total Pay Roll.....	16.75%	18.4%
TOTAL EXPENSE		
Administrative and General		
Accounting Office, Accounts Receivable, and Credit.....	2.7%	2.4%
Executive and Other Administrative and General.....	5.15	5.1
Total Administrative and General..	7.85%	7.5%
Occupancy		
Operating and Housekeeping.....	1.55	1.65
Real Estate Costs (See Appendix, page 19).....	4.4	4.6
Fixtures and Equipment Costs.....	1.1	1.55
Heat, Light, and Power.....	0.7	0.5
Total Occupancy.....	7.75%	8.3%
Publicity		
Sales Promotion and General Advertising.....	4.6	4.35
Display.....	0.65	0.6
Total Publicity.....	5.25%	4.95%
Buying and Merchandising.....	3.85	4.8
Direct and General Selling.....	9.05	9.7
Delivery.....	1.35	1.45
Total Expense.....	35.1%	36.7%

† Figures for this item were given on less than 75% of the reports used.

sales as a rule amounted to from 2% to 9% of 1934 sales, judging by the experiences of the six groups of stores represented in Table 6.

Data for the three groups of stores for which comparisons are available show that initial mark-up percentages were higher in the Pacific Coast states than elsewhere in the country in 1935 as they were in 1934. It is not surprising that inward freight, express, and truckage was higher in percentage of sales for the West Coast stores. Those stores, of course, are located at a substantial distance from the eastern markets from which much of the merchandise handled must be shipped. Initial mark-up, however, is figured on delivered prices, and it is interesting that it should be higher on the Pacific Coast than in other parts of the country, especially since retail reductions were lower on the Coast according to the typical experiences for all three groups of stores for which figures on reductions are given in Table 6. As a result of their higher mark-ups, which were not offset by higher reductions, the Pacific Coast stores showed an advantage in the percentage of gross margin earned over the percentages typically achieved by stores of similar size in other parts of the United States. Incidentally, this higher rate of margin occurred in spite of the fact that cash discounts typically were lower in percentage of sales for the West Coast stores.

Expense by Natural Divisions

When the individual items of expense covered by Table 6 are examined in detail, it is seen that there was no consistent tendency for total pay roll expense to be either higher or lower on the Pacific Coast than elsewhere, but that real estate costs were lower in percentage of sales for five of the six groups of stores, while advertising expenses were higher for five of the six groups. Taxes (excluding taxes on real estate and Federal income taxes) were higher for four of the six groups of West Coast stores; and interest also was higher for four of the six groups. Both facts probably reflect to some degree the lower rates of stock-turn typically reported by those stores according to Table 6. For reasons not indicated, percentages of supplies and travelling expenses tended to be lower on the West Coast; communication expenses to be lower, or no higher; repairs and depreciation expenses a trifle lower; and insurance no higher.

As regards pay roll, real estate costs, advertising, taxes, interest, supplies, travelling, communication, repairs, and insurance—that is, for all items except depreciation, which may be neglected as representing not an expenditure but a charge, this evidence for 1935 confirms that for 1934. Apparently the stores on the

Table 5. Expenses by Natural and Functional Divisions for Department Stores in the Pacific Coast States with Net Sales of \$2,000,000 to \$20,000,000, by Sales Volume Groups: 1935
(Common Figures; Net Sales=100%)

Items	9 Stores with Net Sales of \$2,000,000 to \$4,000,000			8 Stores with Net Sales of \$4,000,000 to \$20,000,000		
	Accounting Office, Accounts Receivable, and Credit	Executive and Other Administrative and General		Accounting Office, Accounts Receivable, and Credit	Executive and Other Administrative and General	
ADMINISTRATIVE AND GENERAL:						
Pay Roll: Accounting Office.....	0.85%	....		1.00%	....
Accts Rec. and Credit.....	0.75	....		0.80	....
Executive.....	....	0.80%		....	0.60%	
Executive Office.....	....	0.75	3.15%	....	0.05	
Superintendency and Gen. Store	....	0.54	0.54	....	0.80	3.25%
Taxes (See Appendix, page 19).....	....	1.90	1.90	....	0.52	0.52
Interest on Mdse and Accounts Rec.....	....	0.03	0.17	....	1.85	1.85
Supplies.....	0.14	....	0.50	0.14	0.04	0.18
Unclassified: Losses from Bad Debts.....	0.50	....	0.48	0.05**	....	0.05**
Other.....	0.07	0.41†	0.05	0.03	0.53	0.56
Travelling.....	0.00†	0.05†	0.05	0.00†	0.01	0.01
Communication.....	0.20	0.18	0.38	0.20	0.28	0.48
Insurance.....	....	0.33	0.33	....	0.27	0.27
Professional Services.....	0.19†	0.15†	0.34	0.17	0.14	0.31
Total.....	2.70%	5.15%†	7.85%†	2.40%†	5.10%†	7.50%†
OCCUPANCY:						
Pay Roll.....	0.95%	....	0.00%†	0.95%	1.10%	0.05%
Real Estate Costs (See Appendix, p. 19).....	....	4.40%	4.40	....	4.60%	....
Taxes on Fixtures and Equipment.....	....	0.03†	0.03†	....	0.05	....
Interest on Fixtures and Equipment.....	....	0.29	0.29	....	0.35	....
Supplies.....	0.19	....	0.03	0.16	....	0.06
Service Purchased.....	0.00†	....	0.65	0.03	....	0.40
Unclassified.....	0.04†	0.00†	0.04	0.04	0.00†	0.00†
Travelling.....	0.00†	....	0.00†	0.00†	....	....
Repairs.....	0.37	....	0.37	0.30	....	0.30
Insurance on Fixtures and Equipment.....	....	0.02	0.02	....	0.02	....
Depreciation on Fixtures and Equipment	....	0.76	0.76	....	1.14	....
Total.....	1.55%	5.50%	0.70%†	7.75%†	1.65%†	6.15%†
PUBLICITY:						
Pay Roll.....	0.40%	0.40%	0.80%	0.45%	0.35%	0.80%
Advertising.....	3.95	....	3.95	3.50	....	3.50
Supplies.....	0.20	0.25	0.45	0.31	0.26	0.57
Unclassified.....	0.03	0.00	0.03	0.05	0.00	0.05
Travelling.....	0.00†	0.00†	0.00†	0.00†	0.00	0.00
Communication.....	0.02	....	0.02	0.04	....	0.04
Professional Services.....	0.00	....	0.00	0.00	....	0.00
Total.....	4.60%	0.65%	5.25%	4.35%	0.60%†	4.95%†
BUYING AND MERCHANDISING:						
Pay Roll: Mdse Mgrs and Assts.....	....	....	0.35%	....	....	0.55%
Buyers and Assistants.....	....	....	2.25	....	....	2.55
Receiving and Marking.....	....	....	0.65	....	....	0.50
Other.....	....	....	0.07	....	....	0.35
Supplies.....	....	....	0.01	....	....	0.07
Unclassified.....	....	....	0.30	....	....	0.44
Travelling.....	....	....	0.04	....	....	0.03
Communication.....	....	....	0.20	....	....	0.24
Prof. Services (See Appendix, p. 19).....	....	....	3.85%†	....	....	4.80%
Total.....	....	....	8.60%	....	....	9.25%
SELLING:						
Pay Roll: Salespeople.....	7.20%	....	....	6.80%	....	....
Floor Supts and Sec. Mgrs.....	0.20	....	....	0.45	....	....
Other.....	0.90	....	....	1.50	....	....
Delivery.....	....	0.30%	8.60%	....	0.50%	9.25%
Taxes.....	....	0.00†	0.00†	....	0.00	0.00
Interest on Equipment.....	....	0.00†	0.00†	....	0.00†	0.00†
Supplies.....	0.62	0.05	0.67	0.78	0.07	0.85
Service Purchased.....	....	1.00	1.00	....	0.85	0.85
Unclassified.....	0.13	0.01	0.14	0.17	0.00	0.17
Travelling.....	0.00†	0.00†	0.00†	0.00†	0.00†	0.00†
Repairs.....	....	0.00†	0.00†	....	0.02	0.02
Insurance.....	....	0.00†	0.00†	....	0.01	0.01
Depreciation.....	....	0.00†	0.00†	....	0.01†	0.01†
Total.....	9.05%	1.35%†	10.40%†	9.70%	1.45%†	11.15%†
TOTAL.....	35.10%			36.70%		

† Figures for this item were given on less than 75% of the reports used.

‡ Owing to the Bureau's practice of rounding off the common figures for functional and subfunctional totals to the nearest .00 or .05, it is not always possible to tie the detailed expense percentages into the totals exactly. The error, however, in no case exceeds 0.03% of net sales.

* This common figure results in part from the fact that in several cases recoveries exceeded losses from bad debts.

Table 6. Typical Operating Results for Department Stores in the Pacific Coast States, and in the Entire United States, by Sales Volume Groups: 1935
(Common Figures; Net Sales=100%, except where noted)

Item Nos.	Items	Sales Volume Groups			
		Less than \$150,000		\$150,000-\$300,000	
		Pacific Coast	United States	Pacific Coast	United States
1	Number of Reports.....	13†	70†	6†	61†
2	Aggregate Sales (in thousands).....	\$1,596	\$6,812	\$1,639	\$14,317
3	Typical Net Sales per Store (in thousands).....	\$100	\$86	\$240	\$225
4	Index of Change in Sales (1935/1934).....	104.5	100.0	108.0	104.5
5	Population of City (in thousands).....	10†	11†	20†	23†
6	Initial Mark-up (% of original retail value) on Invoice Cost Delivered.....	*	33.3%†	*	35.5%†
7	Total Retail Reductions.....	*	7.3%†	*	9.8%†
8	Inward Freight, Express, and Truckage.....	1.8%	1.5%	1.45%	1.3%
9	Alteration and Workroom Costs (Net).....	*	0.55†	0.6	0.55†
10	Cash Discounts Received on Purchases (% of sales).....	2.0	2.55	2.85	2.85
11	Gross Margin.....	30.3	30.4	33.8	31.5
12	Total Merchandise Costs (Net).....	69.7%	69.6%	66.2%	68.5%
13	Total Expense.....	30.0	31.4	34.7	32.3
14	TOTAL COST.....	99.7%	101.0%	100.9%	100.8%
15	NET PROFIT OR LOSS.....	0.3%	L. 1.0%	L. 0.9%	L. 0.8%
16	Net Other Income (including interest on capital owned).....	2.2	2.7	3.5	2.8
17	NET GAIN before Federal Tax on Income:				
17	Percentage of Net Sales.....	2.5%	1.7%	2.6%	2.0%
18	Percentage of Net Worth.....	5.0	3.2	5.0	3.0
19	% of Firms Earning Some Net Profit.....	53.8%	32.9%	33.3%	34.4%
20	% of Firms Earning Some Net Gain.....	84.6	77.1	83.3	83.6
21	Total Pay Roll.....	16.2%	16.7%	18.8%	17.2%
22	Real Estate Costs (See Appendix, page 19).....	3.65	3.8	4.2	3.8
23	Advertising.....	2.6	1.9	2.8	2.6
24	Taxes (See Appendix, page 19).....	0.6	0.75	0.55	0.6
25	Interest (except on real estate).....	2.35	2.8	3.0	2.5
26	Supplies.....	0.7	0.8	0.75	1.05
27	Service Purchased.....	0.85	1.05	0.8	1.0
28	Unclassified: Losses from Bad Debts.....	0.3	0.35	0.4	0.3
29	Other.....	0.8	0.75	0.4	0.7
30	Travelling.....	0.35†	0.4	0.3	0.35
31	Communication.....	0.3	0.45	0.55	0.45
32	Repairs.....	0.1†	0.15†	0.4	0.3
33	Insurance (except on real estate).....	0.5	0.6	0.5	0.5
34	Depreciation (except on real estate).....	0.6	0.65	1.0	0.65
35	Professional Services (See Appendix, page 19).....	0.1†	0.25†	0.25	0.3†
36	TOTAL EXPENSE.....	30.0%	31.4%	34.7%	32.3%
37	Administrative and General.....	*	*	*	9.5%†
38	Occupancy.....	*	*	*	7.0†
39	Publicity.....	*	*	*	3.4†
40	Buying and Merchandising.....	*	*	*	2.5†
41	Direct and General Selling.....	*	*	*	9.4†
42	Delivery.....	*	*	*	0.5†
43	TOTAL EXPENSE.....	30.0%	31.4%	34.7%	32.3%
44	Rate of Stock-turn (times a year) Based on Average of Inventories at Beginning and End of the Year.....	2.2	2.2	2.6	2.9
45	Returns and Allowances (% of gross sales).....	*	2.1%†	*	2.55%†
46	Sales per Square Foot of Total Space.....	*	\$10.50†	*	\$11.30†
47	Real Estate Costs per Square Foot of Total Space.....	*	*	*	*
48	Sales/Total Number of Employees.....	*	\$6,100†	*	\$6,000†
49	Sales/Number of Selling Employees.....	*	\$8,500†	*	\$8,400†

* Data not available. † Figures for this item were given on less than 75% of the reports used.

‡ Some of the reports covered the operations of more than one store. In such cases, the population of the city in which the main store was located was used in preparing the common figure for population. If the locations of the branch stores had been considered the common figure for population would have been slightly lower.

Table 6. Typical Operating Results for Department Stores in the Pacific Coast States, and in the Entire United States, by Sales Volume Groups: 1935 (continued)
(Common Figures; Net Sales = 100%, except where noted)

Item Nos.	Sales Volume Groups							
	\$300,000-\$500,000		\$500,000-\$2,000,000		\$2,000,000-\$4,000,000		\$4,000,000-\$20,000,000	
	Pacific Coast	United States	Pacific Coast	United States	Pacific Coast	United States	Pacific Coast	United States
1	7	54†	7	138†	11†	57†	9	70
2	\$2,585	\$23,350	\$6,560	\$153,105	\$40,481	\$189,609	\$82,555	\$545,196
3	\$340	\$400	\$850	\$1,080	\$2,650	\$2,650	\$8,000	\$7,500
4	114.0	105.0	112.5	105.0	108.0	106.0	109.0	105.0
5	40	32†	60	85†	300†	265†	700	655
6	*	36.3%†	37.4%†	36.9%	38.3%	38.1%	39.8%	38.7%
7	*	9.0%†	7.45%†	8.25%	7.7%	7.95%	7.35%	8.2%
8	1.4%†	1.25%	*	1.2%	1.35%	1.1%	1.2%	0.95%
9	0.5†	0.45†	0.45%	0.45	0.35	0.6	0.55	0.7
10	2.75	2.8	2.3	2.7	2.55	2.75	3.0	3.35
11	34.7	32.9	34.6	34.0	35.7	35.3	37.8	36.3
12	65.3%	67.1%	65.4%	66.0%	64.3%	64.7%	62.2%	63.7%
13	33.3	33.0	32.3	34.2	35.1	35.5	36.7	36.7
14	98.6%	100.1%	97.7%	100.2%	99.4%	100.2%	98.9%	100.4%
15	1.4%	L. 0.1%	2.3%	L. 0.2%	0.6%	L. 0.2%	1.1%	L. 0.4%
16	2.9	3.0	3.2	3.0	2.6	3.3	3.4	3.8
17	4.3%	2.9%	5.5%	2.8%	3.2%	3.1%	4.5%	3.4%
18	*	6.0	9.5	6.1	8.3	7.0	7.3	6.9
19	71.4%	50.0%	71.4%	47.1%	72.7%	45.6%	66.7%	45.7%
20	85.7	88.2	100.0	82.3	100.0	88.7	100.0	82.1
21	18.9%	17.2%	17.0%	17.3%	16.75%	17.1%	18.4%	18.2%
22	3.5	3.85	2.9	4.0	4.4	4.7	4.6	4.9
23	2.95	2.85	3.8	3.45	3.95	3.9	3.5	4.15
24	0.7	0.55	0.6	0.55	0.55	0.5	0.55	0.45
25	2.0	2.35	2.25	2.05	2.2	2.1	2.2	1.95
26	1.0	1.35	1.35	1.6	1.6	1.85	1.9	1.95
27	1.1	1.1	0.85	1.1	1.65	1.15	1.3	1.0
28	0.1	0.35	0.55	0.35	0.5	0.4	0.05**	0.25
29	0.7	0.75	0.65	0.7	0.7	0.7	0.9	0.75
30	0.3	0.4	0.3	0.45	0.35	0.45	0.45	0.45
31	0.5	0.5	0.45	0.5	0.45	0.5	0.55	0.55
32	0.3	0.25	0.35	0.45	0.35	0.4	0.3	0.45
33	0.4	0.4	0.4	0.4	0.35	0.35	0.3	0.3
34	0.65	0.7	0.4	0.8	0.75	0.85	1.15	0.8
35	0.2	0.4	0.45	0.5	0.55	0.55	0.55	0.55
36	33.3%	33.0%	32.3%	34.2%	35.1%	35.5%	36.7%	36.7%
37	*	8.0%†	*	7.8%†	7.85%	7.65%	7.5%	7.35%
38	*	7.0†	*	7.6†	7.75	8.3	8.3	8.5
39	*	3.9†	*	4.6†	5.25	5.1	4.95	5.45
40	*	3.65†	*	4.1†	3.85	4.3	4.8	4.6
41	*	10.0†	*	9.15†	9.05	8.85	9.7	9.2
42	*	0.45†	*	0.95†	1.35	1.3	1.45	1.6
43	33.3%	33.0%	32.3%	34.2%	35.1%	35.5%	36.7%	36.7%
44	3.8	3.45	3.8	4.1	3.85	4.55	3.85	4.85
45	*	4.75%†	*	6.35%	8.6%	8.4%	10.95%	10.75%
46	\$15.00	\$11.50†	*	\$13.30	\$14.40	\$14.40	\$18.50	\$16.70
47	0.53	*	*	0.53	0.63	0.67	0.85	0.82
48	*	\$6,000†	*	\$5,540	\$6,200	\$5,800	\$6,150	\$5,800
49	*	\$9,000†	*	\$9,770	\$11,000	\$11,000	\$14,300	\$13,500

* Data not available. † Figures for this item were given on less than 75% of the reports used.

‡ Some of the reports covered the operations of more than one store. In such cases, the population of the city in which the main store was located was used in preparing the common figure for population. If the locations of the branch stores had been considered the common figure for population would have been slightly lower in all cases except for the group of 57 firms with sales per store of \$2,000,000 to \$4,000,000. For this group, the common figure for population would have been slightly higher.

**This common figure results in part from the fact that in several cases recoveries exceeded losses from bad debts.

Pacific Coast for one reason or another operate at a disadvantage as regards advertising, taxes, and interest, but do not suffer handicaps with respect to pay roll, travelling expense, or communication, and have an advantage as regards real estate costs.

Expense by Functional Divisions

The data on expense by functions given in Table 6 for two groups of stores not only suggest that occupancy expense was lower in percentage of sales on the West Coast last year, as the lower real estate costs would imply, but that selling expense was higher, as might be expected in view of the minimum wage legislation in effect in all three Pacific Coast states. With reference to occupancy expense, it is interesting to note that sales per square foot were the same or higher among the Pacific Coast stores for which general comparisons were possible, while real estate costs per square foot were not consistently higher than the United States averages. For one reason or another, the West Coast stores appear to have used their plants somewhat more intensively than stores in other parts of the country on the average. It is interesting, also, to observe that among the largest West Coast department stores the disadvantage in the percentage of direct and general selling expense, and in total pay roll expense, occurred in spite of relatively high sales per employee and per selling employee.

The Advantages of Size

In view of the operating results for 1934, the most important fact disclosed by a comparison of the results of large and small department stores is the fact that in 1935 earnings ratios tended to be higher for the larger stores. This was at variance with the situation prevailing in 1934 when earnings rates for small stores were as high as or higher than those for large stores. Thus the experience of Pacific Coast stores in 1935, like those in other parts of the country, suggest that the improvement in the earnings position of small stores to which attention was called in the 1934 report disappeared in 1935. On the West Coast, as elsewhere, the rate of net profit and net gain in 1935 tended to vary directly with the size of store, just as it did for the country as a whole prior to 1933. The average figures for the several groups of West Coast stores, since they are based on relatively small samples, show greater deviations from this underlying tendency, but there seems to be no question about what the underlying tendency was.

Further comparison of the results secured by large and small stores, as disclosed in Tables 2 and 3, indicates that, among the Pacific Coast stores, the percentages of initial mark-up, gross margin, and total expense tended to vary directly with sales, just as they did in other parts of the United States. The relation between margin

Table 7. Expenses and Profit Per Transaction, and in Percentage of Sales, for 8 Department Stores in the Pacific Coast States with Net Sales of \$4,000,000 to \$20,000,000: 1935

Items	Cents per Gross Sales Transaction	Net Sales—100%
Aggregate Sales (in thousands).....	....	\$76,655
Typical Net Sales per Store (in thousands).....	....	\$8,000
Index of Change in Sales (1935/1934).....	....	108.5
Index of Change in Number of Transactions (1935/1934).....	104.6	....
Average Gross Sale.....	224.0¢	....
Returns and Allowances.....	24.0¢	12.0%
Net Sales Income.....	200.0	100.0
Total Merchandise Costs (Net).....	124.2¢	62.1%
Pay Roll Expense		
Administrative and General.....	6.6¢	3.3%
Occupancy.....	2.3	1.15
Publicity.....	1.5	0.75
Buying and Merchandising.....	7.9	3.95
Direct and General Selling.....	17.4	8.7
Delivery.....	0.7	0.35
Total Pay Roll.....	36.4¢	18.2%
Real Estate Costs (See Appendix, page 19)	9.2	4.6
Advertising.....	6.9	3.45
Taxes (See Appendix, page 19).....	1.1	0.55
Interest (except on real estate).....	4.1	2.05
Supplies.....	3.5	1.75
Service Purchased.....	2.8	1.4
Unclassified: Losses from Bad Debts.....	0.2	0.1
Other.....	1.9	0.95
Travelling.....	1.0	0.5
Communication.....	1.1	0.55
Repairs.....	0.6	0.3
Insurance (except on real estate).....	0.6	0.3
Depreciation (except on real estate).....	2.4	1.2
Professional Services (See Appendix, page 19).....	1.2	0.6
TOTAL EXPENSE.....	73.0¢	36.5%
Functional Division of Expense		
Administrative and General.....	14.0¢	7.45%
Occupancy.....	16.6	8.3
Publicity.....	10.0	5.0
Buying and Merchandising.....	9.5	4.75
Direct and General Selling.....	19.3	9.65
Delivery.....	2.7	1.35
TOTAL EXPENSE.....	73.0¢	36.5%
TOTAL COST.....	197.2¢	98.6%
NET PROFIT OR LOSS.....	2.8¢	1.4%
Net Other Income (including interest on capital owned).....	6.6	3.3
NET GAIN before Federal Tax on Income	9.4¢	4.7%
Federal Tax on Income.....	*	*
NET GAIN after Federal Tax on Income.....	*	*
Number of Gross Sales Transactions/ Total Number of Employees.....	3,000	....
Number of Gross Sales Transactions/ Number of Selling Employees.....	7,000	....
Net Sales/Total Number of Employees.....	....	\$6,000
Net Sales/Number of Selling Employees.....	....	14,000

* Data not available.

and size, however, was more marked than that between expense and size, with the resulting effect on profit ratios to which attention has been directed.

The rather sparse data on returns and allowances in Table 2 indicate that returns are substantially higher for large stores than for smaller stores; and the data on rate of stock-turn point to the rather surprising conclusion that the typical rate of turn was almost the same on the Pacific Coast in 1935 for all department stores with sales of more than \$300,000.

Attention has already been directed to the fact that, although total expense tended to be highest for the largest stores and to vary directly with size of store, the relationship between size and the typical expense rate was not especially clear.

Table 3 indicates that the percentages for individual items of expense, like those for total expense, frequently did not vary directly with size of store. Supplies constitute one exception to this statement. The percentage expenditure for supplies was lowest for the smallest stores and highest for the largest stores and throughout the range varied directly with size. Among stores with sales of \$500,000 or more real estate costs increased with the size of store; and the very largest stores enjoyed an advantage in the percentage of advertising expense just as did the very large stores in other parts of the country as shown by the figures in Bulletin No. 100.

Changes 1934-1935

Comparison of the operating figures for the Pacific Coast stores in 1935 with corresponding data for 1934 leads to six important conclusions.

1. Sales were larger in 1935 than in 1934 by from 4.5% to 14.0%. As has been noted, these percentages of increase were substantially larger for Pacific Coast stores than for stores elsewhere in the United States. Since prices were slightly lower on the average in 1935 than in 1934, it follows that the physical quantity of goods sold typically was larger, or the quality of goods sold typically higher, for Pacific Coast stores in 1935 than in 1934.

2. Initial mark-up was slightly lower in 1935 than in 1934 according to all data available for West Coast stores. This same tendency was seen among stores in other parts of the country, although the stores with sales of from \$4,000,000 to \$20,000,000 had the same average initial mark-up in the two years.

3. Percentages of retail reductions, made up largely of mark-downs, were smaller in 1935 than in 1934 for the three groups of Pacific Coast stores for which data are shown in Table 6. This tendency toward lower reductions also was typical of the country as a whole.

4. In spite of the lower reductions, gross margins

were lower in 1935 than in 1934 for three of the six Pacific Coast groups, but they were higher for the other three groups. On the whole, margin rates were well maintained in 1935.

5. Among Pacific Coast stores, as among other stores, dollar expenses did not increase in 1935 so much as dollar sales, and percentages of total expense to sales typically declined.

6. For stores with sales of less than \$300,000, percentages of net merchandising profit and of net gain were less satisfactory in 1935 than in 1934, but for larger stores earnings rates uniformly were larger in 1935. In this respect as in other respects mentioned, the experience of the Pacific Coast stores paralleled that of stores in other parts of the United States.

Transactions

According to the testimony of Table 7, which covers eight of the nine reporting Pacific Coast department stores with sales of \$4,000,000 or more, these larger West Coast stores in 1935 enjoyed a rate of increase higher than that for the country as a whole in number of transactions handled as well as in dollar sales. Since the increase in dollar sales as compared with 1934 was greater than the increase in number of transactions (8.5% as contrasted with 4.6%); and since prices were no higher in 1935 than in 1934, presumably there was some increase in the quantity of goods sold per average transaction, or in the quality of goods sold on the average, or both. Both premises and conclusions obtained for the average department store in the United States in 1935, as well as for the Pacific Coast states.

Comparison of the data in Table 7 with the corresponding data in Bulletin No. 100 (Table 23, page 27) shows that among the West Coast stores the average gross sale was higher than it was elsewhere in the United States (2.24 as contrasted with 2.06), while returns on the West Coast were but a trifle higher than elsewhere, and that net sales income per average transaction was higher. The relatively high average sale on the West Coast apparently resulted from the fact that the reporting Pacific Coast stores with sales of \$4,000,000 to \$20,000,000 included a larger proportion of quality-appeal stores, which tend to have a high average sale, than did the reporting stores elsewhere in the United States covered by Table 23 in Bulletin 100.

It is interesting to observe also that both the number of transactions per employee and the number of transactions per selling employee were lower on the average for the eight West Coast stores than for the stores of similar size in other regions, while net sales per employee and per selling employee were somewhat higher on the West Coast.

THE RELATION OF APPEAL AND CHARACTER OF CLIENTELE TO DEPARTMENT STORE OPERATING RESULTS

In studying the reports for 1935 received from Pacific Coast department stores with sales of \$4,000,000 to \$20,000,000, it was found possible to classify eight of the nine stores by appeal and character of clientele as was done in the 1934 report. Three of these eight stores, according to the consensus of opinion among executives of these stores and competing stores, used price appeals primarily and could be classified as medium and low-medium with respect to clientele and price lines; while five appealed on the basis of quality rather than price, and could be classed as high-medium or high in so far as clientele and price lines were concerned. Each of these two groups comprised precisely the same stores as the corresponding group reported upon in Bulletin No. 97, which covered the year 1934.

Differences Between the Price and Quality Stores

The differences in typical operating results for the two groups of stores, of course, reflect to a large degree differences in the stores themselves which are related to the differences in appeal.

Tables 8 and 9 show clearly that the quality appeal stores, as was noted in Bulletin No. 97, were smaller than the price appeal stores, even though located in cities of similar size. It may well be that a given population will support a larger volume of price appeal business than of quality appeal business. The quality appeal stores also had higher percentages of credit sales to total sales, higher returns and allowances, a higher average sale, and lower rates of stock-turn. Their real estate costs per square foot were lower, on the average, as were their sales per square foot; and although their sales per selling employee were higher than those for the price appeal stores, their sales per employee were lower when both selling and non-selling personnel were considered. Since the same stores were involved for both years, it is not surprising that these facts parallel those for 1934.

Margin and Profit

In 1935 the quality appeal department stores on the Pacific Coast achieved rates of initial mark-up higher than those of the price appeal stores by 2% of sales. They had slightly higher mark-downs, on the average,

and their discounts to employees and others were higher in percentage of sales, but stock shortages were less than 60% as high. As a result, total retail reductions for the quality stores were approximately the same as for the price appeal stores. This being true, the fact that the quality stores had higher alteration and workroom costs and received lower cash discounts means that they had a smaller advantage in gross margin than in mark-up, 1.4% of sales as contrasted with 2.1%.

Since the quality appeal department stores had percentages of total expense higher by 1.5% of sales than those of the department stores emphasizing price more heavily, it follows that net profit rates were almost exactly the same for the two groups of stores. The observation made with reference to 1934, that there was no tendency for either quality stores or price stores to have higher net profit percentages, thus is substantiated by the figures for 1935.

Expense

The tendency for the price appeal department stores to have lower percentage expenses is seen clearly in the data of Table 9 for such items as pay roll, real estate costs, taxes, interest, supplies, communication, and repairs. The quality appeal stores had the advantage, however, with respect to the percentages for newspaper advertising, direct advertising, and total advertising; and they enjoyed very small favorable differences with respect to some of the smaller items of expense. Table 10 indicates that the publicity, and buying and merchandising functions were the ones where the price appeal department stores had relatively high percentage costs.

Transactions

An unusually great disparity in the average sale figures for the five quality appeal stores made it impossible to arrive at reliable common figures for their costs in cents per transaction, but such data for the price appeal stores are given in Table 11. These data display the tendency already noted for transactions to increase in 1935 by a smaller percentage than did dollar sales; and comparison of Table 11 with Table 7 shows that the price appeal stores typically had a relatively low average sale and relatively low expenses per average transaction for all items except losses from bad debts. That their figure for this item should be higher than the

Table 8. Merchandising Statistics and Profits for Department Stores in the Pacific Coast States with Net Sales of \$4,000,000 to \$20,000,000, Classified According to Appeal and Character of Clientele: 1935

(Common Figures; Net Sales = 100%, except where noted)

Items	Price Appeal	Quality Appeal
	Clientele and Price Lines Medium and Low Medium	Clientele and Price Lines High Medium or Higher
Number of Reports.....	3	5
Aggregate Sales (in thousands).....	\$32,715	\$45,751
Typical Net Sales per Store (in thousands).....	\$10,800	\$7,200
Index of Change in Sales (1935/1934).....	108.0	111.0
Population of City (in thousands).....	720	720
Initial Mark-up (% of original retail value) on Invoice Cost Delivered..	38.6%	40.7%
Mark-downs.....	5.7%	5.85%
Discounts to Employees and Others...	0.5†	0.85
Stock Shortages.....	1.3	0.75
Total Retail Reductions.....	7.5%	7.45%
Inward Freight, Express, and Truckage Alteration and Workroom Costs (Net).....	0.5	0.85
Cash Discounts Received on Purchases.....	3.4	2.9
Gross Margin.....	36.9	38.3
Total Merchandise Costs (Net).....	63.1%	61.7%
Total Expense.....	35.6	37.1
TOTAL COST.....	98.7%	98.8%
NET PROFIT OR LOSS.....	1.3%	1.2%
Net Other Income (including interest on capital owned).....	*	4.3
NET GAIN before Federal Tax on Income:		
Percentage of Net Sales.....	*	5.5%
Percentage of Net Worth.....	*	7.5
Federal Tax on Income.....	*	*
NET GAIN after Federal Tax on Income:		
Percentage of Net Sales.....	*	*
Percentage of Net Worth.....	*	*
Rate of Stock-turn (times a year):		
Based on Beginning and Ending Inventories.....	5.2	3.8
Based on Monthly Inventories.....	4.95	3.35
Returns and Allowances:		
Percentage of Gross Sales.....	9.85%	11.9%
Percentage of Net Sales.....	10.9	13.5
% Cash Sales.....	44.5%	35.5%
% C.O.D. Sales.....	5.5	
% Charge Sales.....	50.0	
% Installment Sales.....		64.5
% of Firms Earning Some Net Profit...	66.7%	80.0%
% of Firms Earning Some Net Gain...	*	100.0

* Data not available.

† Figures for this item were given on less than 75% of the reports used.

average for the eight stores of Table 7 is surprising. The reason for this phenomenon does not appear.

In presenting the data in Tables 7 and 11, attention properly may be directed to the peculiar value of unit cost statistics in times of rising prices and rising dollar sales. At such times, the percentages of sales commonly employed for expense control are likely to be deceptive and to encourage executives to permit larger increases in dollar expenses than they otherwise would authorize.

Table 9. Expenses by Natural Divisions for Department Stores in the Pacific Coast States with Net Sales of \$4,000,000 to \$20,000,000, Classified According to Appeal and Character of Clientele: 1935

(Common Figures; Net Sales = 100%, except where noted)

Items	Price Appeal	Quality Appeal
	Clientele and Price Lines Medium and Low Medium	Clientele and Price Lines High Medium or Higher
Number of Reports.....	3	5
Aggregate Sales (in thousands).....	\$32,715	\$45,751
Typical Net Sales per Store (in thousands).....	\$10,800	\$7,200
Index of Change in Sales (1935/1934).....	108.0	111.0
Population of City (in thousands).....	720	720
Total Pay Roll.....	17.7%	18.8%
Real Estate Costs (See Appendix, page 19).....	4.55	4.7
Newspaper Advertising.....	2.85	2.7
Direct Advertising.....	0.4	0.25
Other Advertising.....	0.2	0.3
Total Advertising (subtotal).....	(3.45)	(3.25)
Taxes (See Appendix, page 19).....	0.55	0.65
Interest (except on real estate).....	1.7	2.35
Supplies.....	1.65	2.0
Service Purchased.....	1.65	0.9
Unclassified: Losses from Bad Debts...	0.15	0.0**
Other.....	0.9	1.0
Travelling.....	0.45	0.4
Communication.....	0.5	0.6
Repairs.....	0.3	0.4
Insurance (except on real estate).....	0.25	0.3
Depreciation (except on real estate)....	1.2	1.2
Professional Services (See Appendix, page 19).....	0.6	0.55
TOTAL EXPENSE.....	35.6%	37.1%
Sales per Square Foot of Total Space..	\$22.00†	\$18.00
Real Estate Costs per Square Foot of Total Space.....	1.00†	0.84
Sales/Total Number of Employees.....	\$6,600	\$6,000
Sales/Number of Selling Employees....	13,200	15,000
Losses from Bad Debts (% of charge sales).....	0.3%	0.0%**

† Figures for this item were given on less than 75% of the reports used.

** This common figure results in part from the fact that in several cases recoveries exceeded losses from bad debts.

Table 10. Pay Roll and Total Expense by Functions for Department Stores in the Pacific Coast States with Net Sales of \$4,000,000 to \$20,000,000, Classified According to Appeal and Character of Clientele: 1935

(Common Figures; Net Sales = 100%)

Items	Appeal	
	Price Appeal Clientele and Price Lines Medium and Low	Quality Appeal Clientele and Price Lines High Medium or Higher
Number of Reports.....	3	5
PAY ROLL		
Administrative and General		
Executive.....	0.6%	0.55%
Accounting Office.....	0.9	0.95
Accounts Receivable and Credit.....	0.7	0.9
Executive Office.....	0.05†	0.05
Superintendency and General Store	0.7	1.0
Total Administrative and General.....	2.95%	3.45%
Occupancy		
Operating and Housekeeping.....	1.1	1.1
Heat, Light, and Power.....	0.05	0.05
Total Occupancy.....	1.15%	1.15%
Publicity		
Sales Promotion and General Advertising.....	0.4	0.45
Display.....	0.35	0.35
Total Publicity.....	0.75%	0.8%
Buying and Merchandising		
Merchandise Managers and Assistants.....	0.8	0.5
Buyers and Assistants.....	2.9	2.45
Receiving and Marking.....	0.5	0.5
Other.....	0.25	0.35
Total Buying and Merchandising.....	4.45%	3.8%
Direct and General Selling		
Salespeople.....	6.5	6.8
Floor Superintendents and Section Managers.....	0.4	0.45
Other.....	1.4	1.55
Total Direct and General Selling.....	8.3%	8.8%
Delivery.....	0.1	0.8
Total Pay Roll.....	17.7%	18.8%
TOTAL EXPENSE		
Administrative and General		
Accounting Office, Accounts Receivable, and Credit.....	2.2%	2.55%
Executive and Other Administrative and General.....	4.65	5.3
Total Administrative and General.....	6.85%	7.85%
Occupancy		
Operating and Housekeeping.....	1.55	1.7
Real Estate Costs (See Appendix, page 19).....	4.55	4.7
Fixtures and Equipment Costs.....	1.45	1.6
Heat, Light, and Power.....	0.5	0.5
Total Occupancy.....	8.05%	8.5%
Publicity		
Sales Promotion and General Advertising.....	4.2	4.1
Display.....	0.65	0.65
Total Publicity.....	4.85%	4.75%
Buying and Merchandising.....	5.3	4.7
Direct and General Selling.....	9.15	9.9
Delivery.....	1.4	1.4
Total Expense.....	35.6%	37.1%

† Figures for this item were given on less than 75% of the reports used.

Table 11. Expenses and Profit Per Transaction, and in Percentage of Sales, for 3 Department Stores on the Pacific Coast Emphasizing Price Appeal: 1935

Items	Cents per Gross Sales Transaction	Net Sales = 100%
Aggregate Sales (in thousands).....	....	\$32,715
Typical Net Sales per Store (in thousands).....	....	\$10,800
Index of Change in Sales (1935/1934).....	....	108.0
Index of Change in Number of Transactions (1935/1934).....	104.0	....
Average Gross Sale.....	177.5¢	....
Returns and Allowances.....	17.5¢	10.9%
Net Sales Income.....	160.0	100.0
Total Merchandise Costs (Net).....	101.0¢	63.1%
Pay Roll Expense		
Administrative and General.....	4.7¢	2.95%
Occupancy.....	1.85	1.15
Publicity.....	1.2	0.75
Buying and Merchandising.....	7.1	4.45
Direct and General Selling.....	13.3	8.3
Delivery.....	0.15	0.1
Total Pay Roll.....	28.3¢	17.7%
Real Estate Costs (See Appendix, page 19)	7.25	4.55
Advertising.....	5.5	3.45
Taxes (See Appendix, page 19).....	0.9	0.55
Interest (except on real estate).....	2.7	1.7
Supplies.....	2.65	1.65
Service Purchased.....	2.65	1.65
Unclassified: Losses from Bad Debts.....	0.25	0.15
Other.....	1.45	0.9
Travelling.....	0.7	0.45
Communication.....	0.8	0.5
Repairs.....	0.5	0.3
Insurance (except on real estate).....	0.4	0.25
Depreciation (except on real estate).....	1.9	1.2
Professional Services (See Appendix, page 19).....	0.95	0.6
TOTAL EXPENSE.....	56.9¢	35.6%
Functional Division of Expense		
Administrative and General.....	10.95¢	6.85%
Occupancy.....	12.9	8.05
Publicity.....	7.7	4.85
Buying and Merchandising.....	8.45	5.3
Direct and General Selling.....	14.65	9.15
Delivery.....	2.25	1.4
TOTAL EXPENSE.....	56.9¢	35.6%
TOTAL COST.....	157.9¢	98.7%
NET PROFIT OR LOSS		
Net Other Income (including interest on capital owned).....	2.1¢	1.3%
Net Gain before Federal Tax on Income.....	*	*
Federal Tax on Income.....	*	*
NET GAIN after Federal Tax on Income.....	*	*
Number of Gross Sales Transactions/ Total Number of Employees.....	4,250	....
Number of Gross Sales Transactions/ Number of Selling Employees.....	8,500	....
Net Sales/Total Number of Employees.....	....	\$6,600
Net Sales/Number of Selling Employees.....	....	13,200

* Data not available.

SPECIALTY STORES

The fact that reports for 1935 were received from 18 firms operating specialty stores in the Pacific Coast states, instead of the seven which reported for 1934, made it possible to expand materially the data for specialty stores in the current bulletin. These data are given in Tables 12, 13, 14, and 15. It was not possible to present a table for specialty stores corresponding to Table 1, even though functional expense figures were available for one of the three groups, because reliable typical figures could not be prepared for several of the items included in merchandise costs.

Sales

Table 14 indicates that, for all three sales volume groups, the sales of the Pacific Coast specialty stores tended to be smaller than the sales of similar stores in other parts of the United States.

Owing to the fact that a large portion of the 18 Pacific Coast specialty stores reported for the first time this year, and did not give information on sales for earlier years, it was not possible to arrive at common figures for the index of change in sales. Examination of the sparse data available, however, suggests that, for specialty stores with sales of less than \$150,000, sales declined slightly in 1935 on the Pacific Coast, as they did in other parts of the country; while among specialty stores with sales of \$450,000 or more, rates of increase on the West Coast typically were larger than elsewhere in the United States.

Margin and Profit

Table 12 makes it manifest that gross margin was highest for the large specialty stores, lowest for the small specialty stores, and tended to vary directly with size of store; while Table 14 shows that for two of the three groups of West Coast specialty stores, margin rates were higher than for specialty stores of similar size elsewhere. In both respects the experience of specialty stores on the Pacific Coast agrees with that of department stores as described earlier in this bulletin.

The higher margins of the larger stores resulted in part from the fact that they had progressively lower percentage outlays for inward freight, express, and truckage. Whether this, in turn, resulted from a tendency on the part of the larger specialty stores, as contrasted with the smaller stores, to buy relatively more merchandise on the West Coast, to achieve economies through larger individual shipments, or to gain some

advantage through better classification and routing of shipments, is not indicated. The lower transportation costs for the larger stores, however, were offset entirely, or to a substantial degree, depending on the group, by lower average percentages of cash discounts received.

The typical percentages of total expense were lowest for the specialty stores with sales of less than \$150,000, highest for the specialty stores with sales of \$150,000 to \$300,000, and high enough, for the stores with sales of \$450,000 or more, to suggest some tendency for expense to be higher for large specialty stores than for small ones.

Rates of net profit, as is shown clearly by Table 12, were most favorable for the largest stores and varied directly with size of store. The same tendency was disclosed in the figures for net gain, or net business profit, both before and after Federal income taxes.

These conclusions regarding profit rates for specialty stores of different sizes agree with corresponding conclusions regarding department stores on the Pacific Coast and in other parts of the United States. When actual earnings rates among West Coast stores are compared with corresponding rates for the United States as a whole, as they may be compared conveniently in Table 14, it appears that for the two groups of specialty stores with sales of less than \$300,000 earnings among the Pacific Coast stores were less favorable than those for stores elsewhere, while among Pacific Coast stores with sales of \$450,000 or more, percentage earnings were much more satisfactory in 1935 than they were for specialty stores similar in size elsewhere.

Expense

From Table 13, it is seen that, although the West Coast specialty stores with sales of less than \$150,000 typically had the lowest percentages of total expense shown in the table, they did not have the lowest percentages for either pay roll expense or real estate costs, two items which together accounted for more than 64% of total expense. In fact, the stores with sales of less than \$150,000 had the lowest percentages reported in the table for only six items of expense; namely, advertising, supplies, service purchased, communication, repairs, and professional services.

It might have been inferred from Table 12 that the net losses of the specialty stores with sales of less than \$150,000 resulted to a very important degree from their

Table 12. Merchandising Statistics and Profits for Specialty Stores in the Pacific Coast States, by Sales Volume Groups: 1935

(Common Figures; Net Sales = 100%, except where noted)

Items	Sales Volume Groups (in thousands)‡		
	Less than \$150	\$150-300	\$450 or more
Number of Reports.....	8‡	4	6‡
Aggregate Sales (in thousands)....	\$753	\$802	\$15,804
Typical Net Sales per Store (in thousands).....	\$70	\$200	\$725
Index of Change in Sales (1935/1934).....	*	*	*
Population of City (in thousands).....	65‡	*	635‡
Initial Mark-up (% of original retail value) on Invoice Cost Delivered.....	*	*	*
Mark-downs.....	*	*	*
Discounts to Employees and Others	*	*	*
Stock Shortages.....	*	*	*
Total Retail Reductions.....	*	*	*
Inward Freight, Express, and Truckage.....	1.6%	1.35%	1.0%
Alteration and Workroom Costs (Net).....	0.85‡	2.4	1.25
Cash Discounts Received on Purchases (% of sales).....	5.05	4.75	4.0
Gross Margin.....	32.0	37.3	39.3
Total Merchandise Costs (Net)....	68.0%	62.7%	60.7%
Total Expense.....	34.6	37.0	35.6
TOTAL COST.....	102.6%	99.7%	96.3%
NET PROFIT OR LOSS.....	L. 2.6%	0.3%	3.7%
Net Other Income (including interest on capital owned).....	2.1	1.7	2.0
NET GAIN before Federal Tax on Income:			
Percentage of Net Sales.....	L. 0.5%	2.0%	5.7%
Percentage of Net Worth.....		5.0	15.5
Federal Tax on Income.....	0.0%	*	0.8%†
NET GAIN after Federal Tax on Income:			
Percentage of Net Sales.....	L. 0.5%	*	4.9%
Percentage of Net Worth.....		*	10.0†
Rate of Stock-turn (times a year):			
Based on Beginning and Ending Inventories.....	4.7	6.5	5.55
Based on Monthly Inventories..	*	*	4.2‡
Returns and Allowances:			
Percentage of Gross Sales.....	*	*	*
Percentage of Net Sales.....	*	*	*
% Cash Sales.....	*	*	*
% C. O. D. Sales.....	*	*	*
% Charge Sales.....	*	*	*
% Installment Sales.....	*	*	*
% of Firms Earning Some Net Profit	12.5%	50.0%	83.3%
% of Firms Earning Some Net Gain	50.0	75.0	83.3

* Data not available. † Figures for this item were given on less than 75% of the reports used.
 ‡ No specialty store on the Pacific Coast reported sales of between \$300,000 and \$450,000.
 § Some of the reports covered the operations of more than one store. In such cases, the population of the city in which the main store was located was used in preparing the common figure for population. If the locations of the branch stores had been considered, the common figure for population would have been somewhat higher for firms with sales of less than \$150,000 per store, and lower for firms with sales per store of \$450,000 or more.

low percentages of gross margin. The facts with reference to expense to which attention has just been called, however, suggest that there may have been important shortcomings in expense control among these stores, or that they may have operated under particularly adverse circumstances. This inference is borne out by the figures in Table 14, which show that total expense among the Pacific Coast specialty stores with sales of less than \$150,000 typically amounted to 34.6% of

Table 13. Expenses by Natural Divisions for Specialty Stores in the Pacific Coast States, by Sales Volume Groups: 1935

(Common Figures; Net Sales = 100%, except where noted)

Items	Sales Volume Groups (in thousands) ‡		
	Less than \$150	\$150-300	\$450 or more
Number of Reports.....	8‡	4	6‡
Aggregate Sales (in thousands)....	\$753	\$802	\$15,804
Typical Net Sales per Store (in thousands).....	\$70	\$200	\$725
Index of Change in Sales (1935/1934).....	*	*	*
Population of City (in thousands).....	65‡	*	635‡
Total Pay Roll.....	16.2%	16.9%	15.1%
Real Estate Costs (See Appendix, page 19).....	6.2	5.45	6.3
Newspaper Advertising.....	*	*	*
Direct Advertising.....	*	*	*
Other Advertising.....	*	*	*
Total Advertising (subtotal).....	3.1	5.0	3.4
Taxes (See Appendix, page 19)....	0.45	0.45	0.45
Interest (except on real estate)....	1.95	2.15	1.95
Supplies.....	0.8	0.9	1.8
Service Purchased.....	1.1	1.2	1.4
Unclassified: Losses from Bad Debts	0.5	0.2	0.7
Other.....	0.8	0.8	1.0
Travelling.....	0.95‡	1.25	0.45
Communication.....	0.45	0.5	0.7
Repairs.....	0.05‡	0.15	0.3
Insurance (except on real estate)...	0.45	0.6	0.35
Depreciation (except on real estate)	1.3	1.05	0.9
Professional Services (See Appendix, page 19).....	0.3	0.4	0.8
TOTAL EXPENSE.....	34.6%	37.0%	35.6%
Sales per Square Foot of Total Space	*	*	*
Real Estate Costs per Square Foot of Total Space.....	*	*	*
Sales/Total Number of Employees.	*	*	*
Sales/Number of Selling Employees	*	*	*
Losses from Bad Debts (% of charge sales).....	*	*	*

* Data not available. † Figures for this item were given on less than 75% of the reports used.
 ‡ No specialty store on the Pacific Coast reported sales of between \$300,000 and \$450,000.
 § Some of the reports covered the operations of more than one store. In such cases, the population of the city in which the main store was located was used in preparing the common figure for population. If the locations of the branch stores had been considered, the common figure for population would have been somewhat higher for firms with sales of less than \$150,000 per store and lower for firms with sales per store of \$450,000 or more.

Table 14. Typical Operating Results for Specialty Stores in the Pacific Coast States, and in the Entire United States, by Sales Volume Groups: 1935

(Common Figures; Net Sales = 100%, except where noted)

Items	Sales Volume Groups					
	Less than \$150,000		\$150,000-\$300,000		\$450,000 or more†	
	Pacific Coast	United States	Pacific Coast	United States	Pacific Coast	United States‡
Number of Reports.....	8‡	40‡	4	15	6‡	50‡
Aggregate Sales (in thousands).....	\$753	\$4,294	\$802	\$3,238	\$15,804	\$124,293
Typical Net Sales per Store (in thousands).....	\$70	\$85	\$200	\$210	\$725	\$2,000
Index of Change in Sales (1935/1934).....	*	98.5‡	*	105.5	*	108.0
Population of City (in thousands).....	65‡	150‡	*	170	635‡	1,040‡
Initial Mark-up (% of original retail value) on Invoice Cost Delivered.....	*	*	*	39.7%†	*	39.3%
Total Retail Reductions.....	*	*	*	12.6%†	*	9.9%
Inward Freight, Express, and Truckage.....	1.6%	1.05%	1.35%	1.0%	1.0%	0.65%
Alteration and Workroom Costs (Net).....	0.85‡	0.75‡	2.4	1.75‡	1.25	0.6
Cash Discounts Received on Purchases (% of sales)....	5.05	5.0	4.75	4.45	4.0	4.2
Gross Margin.....	32.0	32.0	37.3	34.8	39.3	36.9
Total Merchandise Costs (Net).....	68.0%	68.0%	62.7%	65.2%	60.7%	63.1%
Total Expense.....	34.6	32.3	37.0	33.7	35.6	36.8
TOTAL COST.....	102.6%	100.3%	99.7%	98.9%	96.3%	99.9%
NET PROFIT OR LOSS.....	L. 2.6%	L. 0.3%	0.3%	1.1%	3.7%	0.1%
Net Other Income (including interest on capital owned).....	2.1	2.1	1.7	1.9	2.0	2.55
NET GAIN before Federal Tax on Income:						
Percentage of Net Sales.....	L. 0.5%	1.8%	2.0%	3.0%	5.7%	2.65%
Percentage of Net Worth.....	*	4.2‡	5.0	10.0	15.5	8.45
% of Firms Earning Some Net Profit.....	12.5%	47.5%	50.0%	66.7%	83.3%	48.0%
% of Firms Earning Some Net Gain.....	50.0	70.0	75.0	80.0	83.3	82.0
Total Pay Roll.....	16.2%	16.4%	16.9%	15.6%	15.1%	16.85%
Real Estate Costs (See Appendix, page 19).....	6.2	5.2	5.45	5.3	6.3	5.75
Advertising.....	3.1	2.4	5.0	3.7	3.4	4.4
Taxes (See Appendix, page 19).....	0.45	0.35	0.45	0.55	0.45	0.35
Interest (except on real estate).....	1.95	1.7	2.15	1.7	1.95	1.8
Supplies.....	0.8	1.0	0.9	1.05	1.8	1.65
Service Purchased.....	1.1	1.2	1.2	1.25	1.4	1.4
Unclassified: Losses from Bad Debts.....	0.5	0.35‡	0.2	0.35	0.7	0.35
Other.....	0.8	0.55‡	0.8	0.7	1.0	0.85
Travelling.....	0.95‡	0.9	1.25	0.85	0.45	0.6
Communication.....	0.45	0.5	0.5	0.5	0.7	0.65
Repairs.....	0.05‡	0.15‡	0.15	0.2	0.3	0.35
Insurance (except on real estate).....	0.45	0.45	0.6	0.6	0.35	0.4
Depreciation (except on real estate).....	1.3	0.75	1.05	0.95	0.9	0.85
Professional Services (See Appendix, page 19).....	0.3	0.4‡	0.4	0.4‡	0.8	0.55
TOTAL EXPENSE.....	34.6%	32.3%	37.0%	33.7%	35.6%	36.8%
Administrative and General.....	*	*	*	*	8.1%†	8.1%
Occupancy.....	*	*	*	*	9.1‡	9.05
Publicity.....	*	*	*	*	5.6‡	5.85
Buying and Merchandising.....	*	*	*	*	3.0‡	4.3
Direct and General Selling.....	*	*	*	*	8.8‡	8.35
Delivery.....	*	*	*	*	1.0‡	1.15
TOTAL EXPENSE.....	34.6%	32.3%	37.0%	33.7%	35.6%	36.8%
Rate of Stock-turn (times a year) Based on Average of Inventories at Beginning and End of the Year....	4.7	5.3	6.5	6.25	5.55	5.95
Returns and Allowances (% of gross sales).....	*	*	*	*	*	12.1%
Sales per Square Foot of Total Space.....	*	*	*	*	*	\$30.50
Real Estate Costs per Square Foot of Total Space....	*	*	*	\$6,000†	*	1.80
Sales/Total Number of Employees.....	*	*	*	16,000†	*	\$6,230
Sales/Number of Selling Employees.....	*	*	*	*	*	14,240

* Data not available.

† Figures for this item were given on less than 75% of the reports used.

‡ Some of the reports covered the operations of more than one store. In such cases, the population of the city in which the main store was located was used in preparing the common figure for population. If the locations of the branch stores had been considered, the common figure for population would have been somewhat higher for firms with sales of less than \$150,000 per store, and lower for firms with sales per store of \$450,000 or more.

§ No specialty store on the Pacific Coast reported sales between \$300,000 and \$450,000. For the United States as a whole, however, the tables published in Bulletin Number 100 included separate common figures for specialty stores with sales of \$100,000 to \$500,000; \$500,000 to \$1,000,000; \$1,000,000 to \$2,000,000; \$2,000,000 to \$4,000,000; and \$4,000,000 or more. The common figures presented here for 50 specialty stores throughout the United States are weighted averages of the figures published in Bulletin Number 100 for specialty stores with sales of \$500,000 or more.

sales, while specialty stores of similar size over the United States as a whole typically incurred expenses of 32.3%.

The figures in both Table 13 and Table 14 for specialty stores with sales of \$150,000 to \$300,000 suggest that stores of this size in the Pacific Coast states similarly may have been confronted with unusually difficult expense problems or may not have been particularly effective in controlling expense. Table 14 shows that these Pacific Coast stores, on the average, incurred total expense amounting to 37.0% of sales, while the corresponding common figure for the United States was only 33.7%. Apparently these Pacific Coast specialty stores were saved from a net loss in 1935 only by the fact that they were able to earn a rather substantial gross margin, 37.3% as contrasted with 34.8%, the country-wide average. Examination of the individual items of expense for the West Coast stores with sales of \$150,000 to \$300,000 given in Table 13 discloses the fact that, although these stores had the lowest percentages of real estate costs shown in the table, they had the highest percentages for pay roll, advertising, interest, travelling, and insurance. Their percentage expenditures for the first four of these five items were high, also, as judged by the country-wide standards given in Table 14; and that table suggests that even the low real estate costs of the Pacific Coast stores were relatively high compared with corresponding costs elsewhere in the United States.

From the point of view of expense control, the six West Coast specialty store firms operating large stores appear to have been more effectively managed than the reporting firms with smaller sales per store. These larger West Coast specialty stores operated under the handicap of high percentage expenditures for real estate costs, supplies, communication, repairs, and professional services. Their percentage expenditures for four of these five items were higher than those for smaller specialty stores in the Pacific Coast states, and also were higher than those for stores of similar size in other parts of the country. The larger Pacific Coast specialty stores overcame these handicaps by showing conspicuously low percentage expenditures for pay roll and for travelling, and by making favorable showings as regards advertising expense and interest. The figures on functional expense shown in Table 15 indicate that the advantage of the large stores lay chiefly in buying and merchandising expense, although they had somewhat lower percentage expenditures for publicity and delivery as well. Their chief disadvantage lay in direct and general selling costs, where they may well have been handicapped in comparison with stores in other parts of the country by the West Coast minimum wage legislation.

Table 15. Pay Roll and Total Expense by Functions for Specialty Stores in the Pacific Coast States with Net Sales of \$450,000 or More: 1935

(Common Figures; Net Sales = 100%)

Number of Reports.....	4†
PAY ROLL	
Administrative and General	
Executive.....	1.2%
Accounting Office.....	0.7
Accounts Receivable and Credit.....	0.65
Executive Office.....	0.0†
Superintendency and General Store.....	0.65
Total Administrative and General.....	3.2%
Occupancy	
Operating and Housekeeping.....	0.7
Heat, Light, and Power.....	0.0
Total Occupancy.....	0.7%
Publicity	
Sales Promotion and General Advertising.....	0.25
Display.....	0.4
Total Publicity.....	0.65%
Buying and Merchandising	
Merchandise Managers and Assistants.....	*
Buyers and Assistants.....	*
Receiving and Marking.....	*
Other.....	*
Total Buying and Merchandising.....	2.1%
Direct and General Selling	
Salespeople.....	*
Floor Superintendents and Section Managers..	*
Other.....	*
Total Direct and General Selling.....	8.2%
Delivery.....	0.25
Total Pay Roll.....	15.1%
TOTAL EXPENSE	
Administrative and General	
Accounting Office, Accounts Receivable, and Credit.....	2.8%
Executive and Other Administrative and General.....	5.3
Total Administrative and General.....	8.1%
Occupancy	
Operating and Housekeeping.....	1.2
Real Estate Costs (See Appendix, page 19)....	6.3
Fixtures and Equipment Costs.....	1.0
Heat, Light, and Power.....	0.6
Total Occupancy.....	9.1%
Publicity	
Sales Promotion and General Advertising.....	4.8
Display.....	0.8
Total Publicity.....	5.6%
Buying and Merchandising.....	3.0
Direct and General Selling.....	8.8
Delivery.....	1.0
Total Expense.....	35.6%

* Data not available. † Figures for this item were given on less than 75% of the reports used.

‡ Some of the reports covered the operations of more than one store.

APPENDIX

Materials

The information and conclusions contained in this bulletin are based on profit and loss statements, balance sheets, and other materials received on 74 separate schedules covering the 1935 operations of 105 stores located in Washington, Oregon, and California. Of these 74 schedules, 3 were not complete or were in such form that they could not be made comparable with the data for the other stores. As a result, the common figures published in this bulletin are based on data taken from 71 statements.

The form on which the co-operating stores reported their figures and other information was the same as that used by the Bureau in its nation-wide survey reported upon in Bulletin No. 100. This form was developed by the Bureau out of its experience in conducting fifteen preceding studies for this trade, and from personal contact with store executives. Copies of the form or information regarding it may be secured by writing to the Bureau.

Size of Sample

The total sales volume of the 74 firms which sent reports somewhat exceeded \$153,186,000; and the total sales of the 71 firms for which data were actually used in setting common figures was \$152,775,000.

It is estimated that this latter amount is more than 37% of the total sales of department and specialty stores in Washington, Oregon, and California in 1935. On the basis of the United States Census of Distribution for 1929 and the Census of American Business, United States Summary of the Retail Census for 1933, sales of department stores, specialty stores, and related stores in these three states in 1933 are estimated to have been approximately \$335,000,000. According to the Federal Reserve Board,¹ sales of department stores in these states in 1935 amounted to 122.1% of their sales in 1933, so that the total sales for 1935 were about \$409,000,000. The sales of the 71 Pacific Coast firms for which data actually were used in this study amount to more than 37% of \$409,000,000.

Classification of Reports

In classifying the reports, the first step was to separate them according to type of store, department store re-

¹ The Federal Reserve Board, in mimeographed press releases dated January 9, 1935 and January 9, 1936, reported that department store sales in the San Francisco Federal Reserve district in 1934 were 11% more than in 1933, and in 1935 were 10% more than in 1934. Hence sales in 1935 must have been 22.1% more than in 1933.

ports being distinguished from specialty store reports. In making this classification the Bureau defined a department store as one handling a number of lines of merchandise, including yard goods and, usually, home furnishings. As a rule, these stores were subdivided into departments for operating purposes. Specialty stores were defined as stores specializing in women's wearing apparel, often handling such accessories as costume jewelry, bags, and toilet goods, but generally not handling either yard goods or home furnishings, and for the most part operated by means of a departmental form of organization similar to that employed by department stores.

Having divided the reports into two major groups by kind of store, the next step was to classify the reports in each group by sales volume. This resulted in six volume groups for department stores and three volume groups for specialty stores.

The limits of the volume groups for department stores are the same as those used in the 1934 study of department store results in the Pacific Coast States, and they dovetail with the group limits used in Bulletin No. 100. The data for specialty stores available for the 1934 Pacific Coast study were too few to permit classification by sales volume, but the limits of the three volume groups of specialty stores set up in this study correspond closely with such class limits used in Bulletin No. 100. Of course, there may be some change from year to year in the firms assigned to the several groups owing to the changes in firms reporting and in dollar sales volume.

Common Figures

In this bulletin common figures are given for each of the several volume groups, except where the data received imposed limitations.

The term "common figure" is used by the Bureau to mean the most representative figure in any series or array. It is the figure around which the percentages from all the individual reports in a group tend to concentrate. It is determined partly by the median, that is, the middle figure when the items are arranged in order of magnitude; and partly by the interquartile average, which is the arithmetic average of the middle half of the figures. The common figure is selected partly by judgment based on inspection of the data and partly by means of computed averages. It is designed to reflect the typical or representative performance.

Transactions

In arriving at income, expense, and profit per transaction, the Bureau used only the reports for firms which gave the number of gross sales transactions, gross sales transactions being understood to mean the number of sales transactions or sales checks which produced total gross sales, without additions or deductions for returns or credit transactions. In arriving at the common figures for average gross sale, the gross sales for each firm reporting the data were divided by the total number of gross sales transactions.

Definitions of Major Items

Net sales, as used throughout this bulletin, represents the real volume of business done (in owned departments only). This figure is computed by deducting from gross sales the amount of merchandise returned by customers and the allowances granted to customers.

Gross margin is net sales less total merchandise costs (net). The Bureau defines total merchandise costs (net) as the sum of three factors: (a) the difference (net decrease) in merchandise inventories at the beginning and end of the year; (b) purchases of merchandise at net cost delivered at the store or warehouse, that is, after cash discounts received have been deducted and after inward freight, express, and truckage have been added; and (c) alteration and workroom costs, net (costs less receipts from customers).

Total expense, according to the Bureau's definition, includes charges for interest at 6% on investment in plant and equipment used, in merchandise inventory, and in accounts receivable, regardless of the source of the capital invested in these various assets or the rates paid on any capital borrowed. Also, total expense includes charges for the salaries of proprietors, active partners, and chief executives, whether or not they actually were paid. Salaries of inactive partners are considered as deductions from net gain. Total expense, therefore, represents the true long-run economic cost of conducting the merchandising or trading operations of the reporting stores.

Some of the charges which are included in total expense according to the Bureau's classification are discussed later in this Appendix. Detailed definitions of all the items are included in the Bureau's pamphlet, "Explanation of Schedule for Department and Specialty Stores: 1935". Readers who wish more information on the expense classification than is contained in this bulletin should write to the Bureau, which will gladly answer their questions or mail a copy of the explanatory pamphlet.

Net profit, as the Bureau uses the term, is the amount which remains after deducting total expense from gross

margin; or, stated differently, it is the amount which remains after deducting total cost, the sum of total merchandise costs (net) and total expense, from net sales. Total expense, as just defined, includes not only actual expenditures and regular charges, such as those for depreciation, but also fair compensation for managerial services and interest at 6% on selected assets, including the firm's equity in those assets. Thus, net profit is the profit after charges for capital, including that invested in real estate, and for management; it reflects the efficiency of a firm in the conduct of its merchandising operations and the profitableness of a concern as a merchandising enterprise. The Bureau's net profit figure, however, is not the net business profit *before interest* which many business men customarily look upon as net profit and which the Bureau calls net gain. Net profit, as defined by the Bureau, affords a better basis for comparing the results of different firms, and provides a more accurate measure of operating efficiency than does net gain.

Net other income includes any net profit or loss on real estate operations after charging interest at 6% on the average depreciated value of real estate used; interest at 6% on such part of the capital used in the business as represented the firm's equity, including the equity in real estate; and, as regards borrowed capital used in the business, any difference between interest at 6% and interest actually paid. These interest credits are made to offset imputed interest charged as expense. In addition, net other income includes the amount of interest actually received, receipts from leased departments, and net income from any non-merchandising operations.

Net gain before Federal tax on income is the total of net profit and net other income. It is the net earnings including return on investment after considering all miscellaneous income or deductions other than Federal income taxes. Net gain is the figure which many merchants, bankers, and accountants have in mind when they speak of net profit, net business profit, or net earnings. In using the net gain figures, allowance must be made for the desired rate of return on invested capital. The Bureau's treatment of cash discounts and interest in no way affects the net gain figure.

Classification of Expense

The Bureau's classification of expense agrees substantially with that set up by the Controllers' Congress of the National Retail Dry Goods Association in its Expense Manual published in 1928. There are, however, three important differences, those in the handling of (a) rentals and related items, (b) interest, and (c) professional services.

Real Estate Costs

In order to secure as great a degree of comparability as possible between the figures for firms owning their real estate and the figures for firms leasing all or part of their real estate, the Bureau's classification includes no item for rentals but has, instead, an item called "real estate costs". *Real estate costs* includes (for properties used in the business *only*) rentals, taxes, and insurance paid on leased real estate; and a fair rental charge for owned real estate. This latter amount, of course, reflects taxes, interest, insurance, depreciation, and any other landlord charges, except repairs, on owned real estate. Thus, the figures given in this bulletin for taxes, interest, insurance, and depreciation do not represent the *total* expenditures or charges for these items. They exclude all expenditures or charges related to real estate, but they include the respective expenditures or charges on equipment.

This treatment of real estate costs yields, in some cases, a profit or loss on owned real estate. This profit or loss is carried to other income, along with the profit or loss on real estate not used in the business.

Interest

Interest includes interest at 6%¹ on the average merchandise inventory, the average amount of accounts receivable outstanding, and the average investment in equipment. Interest on the average investment in real estate is included in real estate costs. In all four cases, averages of the asset figures, usually as of the beginning and end of the fiscal year, were used in computing interest charges. Interest paid on borrowed capital and interest received were not considered in arriving at the interest charges in the expense statement, but were considered in arriving at the amount of net other income.

Professional Services

Professional services includes expenses, memberships, dues, and fees for buying or research organizations, and for domestic and foreign buying offices. In order to secure comparability between firms that own their offices and those which use the services of other agencies, tenancy charges on buying offices are included in professional services rather than in real estate costs. The central office expense for stores in ownership groups also is included in professional services.

Taxes

Taxes do not include taxes on real estate, which are included in real estate costs, or Federal income taxes;

¹ There has been some discussion of the advisability of changing the rate used in computing interest on invested capital periodically to reflect changes in the cost of money. In the decision to hold to the 6% rate there have been two compelling arguments: (1) that if the 6% rate were abandoned there would be no general agreement upon a method for choosing the rate to be substituted; and (2) that, since the rate is used in arriving at an imputed charge, on the whole it is more important to use a fixed rate year after year than to attempt to find the correct rate for each year and thus to force users of the figures to make a separate set of mental adjustments in interpreting each year's data.

but do include such taxes on sales or gross income as the stores were unable to collect directly from their customers and hence were forced to absorb as expense.

Stock-turn

The stock-turn figures given in this report and based upon beginning and ending inventories were computed by dividing total merchandise costs (net) as defined under gross margin on page 18 by the average inventory as shown by the profit and loss statement; that is, at cost. The stock-turn figures based on average monthly inventories were computed through the use of cost or retail inventory figures, whichever were furnished. In each individual case either total merchandise costs or net sales were used as the dividend, depending upon circumstances.

Undoubtedly the rate of stock-turn based on monthly inventories provides a more reliable index of the turnover of physical merchandise than does the rate of stock-turn based on beginning and ending inventories; but since the figures computed on the latter basis are somewhat more representative, they are the ones, unless otherwise noted, referred to in the text.

Initial Mark-up

Of the other items given in the tables, initial mark-up requires special explanation. The figures for initial mark-up were not based on initial mark-up percentages reported by, or computed for, the individual firms; but rather were prepared through the use of the common figures for gross margin, alteration and workroom costs, total retail reductions, and cash discounts received.

In calculating the percentage of mark-up, of course, the original retail value before retail reductions had to be secured. For this purpose the figure 100%, representing net sales, plus the common figure for total retail reductions as a percentage of net sales, was taken as original retail value expressed in terms of net sales. To secure the percentage of initial mark-up on invoice cost delivered, this original retail value was divided into the sum of the common figures for gross margin, alteration and workroom costs, and total retail reductions, less the amount of cash discounts received, all expressed as percentages of net sales. This dividend represented the difference between original retail price of merchandise sold and delivered invoice cost of merchandise sold, expressed as percentages of net sales.

This definition may be put into the form of an equation as follows, all figures to the right of the equality sign being percentages of net sales:

$$\text{Initial Mark-up (on invoice cost delivered)} = \frac{\text{Gross Margin} + \text{Alteration and Workroom Costs} + \text{Total Retail Reductions} - \text{Cash Discounts Received}}{100 + \text{Total Retail Reductions}}$$

Using figures for department stores with \$2,000,000 to \$4,000,000 sales from Table 2, the computation of the rate of initial mark-up based on invoice cost delivered is as follows:

$$\frac{35.7 + 0.35 + 7.7 - 2.55}{100 + 7.7} = \frac{41.2}{107.7} = 38.3\%$$

Number of Reports

Each table contains data regarding the number of reports used. Since some reports included the figures for branches, or for more than one unit of an ownership group, the number of stores involved often was larger than the number of reports used. Consolidated reports for ownership groups were classified according to average sales per store.

Leased Departments

This year the Bureau continued its attempt to eliminate the effects of leased departments so that its common figures might reflect the operations of owned departments only, and so that the figures for different stores would be essentially comparable regardless of differences in practice regarding leasing. The cooperating stores were asked to report the sales of their leased departments, the amount of commissions or rentals

received from lessees, and the portion of the stores' indirect expenses properly chargeable to leased departments. It was indicated that the sales of leased departments should be excluded from sales; that direct expenses paid by the stores for the account of lessees should be excluded from expense; and that the indirect expenses chargeable to leased sections similarly should be excluded. The amounts of gain or loss from leased department operations were included in other income.

In many instances, the reporting firms made all these adjustments and thus practically eliminated the effects of their leased department operations. Where the firms themselves did not do this, and where the sales of leased departments amounted to 10% or more of total sales, the Bureau made the appropriate adjustments. Where this could not be done, and where leased department sales amounted to 10% or more of total sales, the percentages which were most likely to be distorted by leased section operations (real estate costs, supplies, service purchased, total expense, net profit, and other income) were considered not comparable and were not used in arriving at the common figures published in this bulletin. There were a few cases where all expenses apparently were distorted as a result of leased department operations. In such cases the entire statement was omitted in setting common figures.

BUREAU OF BUSINESS RESEARCH: BULLETINS IN PRINT—Continued

DRUG — WHOLESALE

- No. 50. Operating Expenses in the Wholesale Drug Business in 1924..... 50 cents
 No. 46. Operating Expenses in the Wholesale Drug Business in 1923..... 50 cents

DRY GOODS — WHOLESALE (Southern)

- No. 45. Operating Expenses in the Wholesale Dry Goods Business in the South in 1923..... 50 cents

GROCERY — RETAIL (See also CHAIN STORES)

- Operating Expenses in Retail Grocery Stores: 1924, No. 52; 1923, No. 41; 1919, No. 18..... 50 cents each
 No. 13. Management Problems in Retail Grocery Stores (1918)..... 50 cents
 No. 5. Expenses in Operating Retail Grocery Stores (1914)..... 50 cents
 No. 3. Operating Accounts for Retail Grocery Stores (revised edition — 1922)..... 50 cents

GROCERY — WHOLESALE (See also CHAIN STORES)

- No. 55. Cases on Merchandise Control in the Wholesale Grocery Business (1925)..... (In cloth) \$1.00
 Operating Expenses in the Wholesale Grocery Business: 1923, No. 40; 1921, No. 30; 1919, No. 19..... 50 cents each
 No. 14. Methods of Paying Salesmen, and Operating Expenses in the Wholesale Grocery Business in 1918. 50 cents
 No. 9. Operating Expenses in the Wholesale Grocery Business (1916)..... 50 cents
 No. 8. Operating Accounts for Wholesale Grocers (revised edition — 1920)..... 50 cents

GROCERY — MANUFACTURERS

- No. 79. Marketing Expenses of Grocery Manufacturers for 1927 and 1928..... \$2.00
 No. 77. Marketing Expenses of Grocery Manufacturers for 1927..... \$1.50
 No. 69. Marketing Expense Classification for Grocery Manufacturers (1928)..... \$1.50

HARDWARE — RETAIL

- No. 21. Operating Expenses in Retail Hardware Stores in 1919..... 50 cents
 No. 11. System of Operating Accounts for Hardware Retailers (1918)..... 50 cents

JEWELRY — RETAIL

- No. 76. Operating Results of Retail Jewelry Stores for 1927..... \$1.50
 No. 65. Operating Expenses of Retail Jewelry Stores in 1926..... \$1.50
 Corresponding Bulletins for earlier years: No. 58, 1925; No. 54, 1924; No. 47, 1923; No. 38, 1922; No. 32, 1921;
 No. 27, 1920; No. 23, 1919..... 50 cents each
 No. 15. Operating Accounts for Retail Jewelry Stores (1919)..... 50 cents

LABOR

- No. 25. Labor Terminology (1921)..... (In cloth) \$1.00

PAINT AND VARNISH — WHOLESALE

- No. 66. Operating Expenses in the Wholesale Paint and Varnish Business in 1926..... \$1.50
 No. 60. Preliminary Report on Operating Expenses in the Wholesale Paint and Varnish Business in 1925. 50 cents

PLUMBING AND HEATING SUPPLY — WHOLESALE

- No. 72. Methods of Departmentizing Merchandise and Expense Figures for Plumbing and Heating Supply
 Wholesalers (1928)..... \$1.00
 No. 71. Operating Expenses of Plumbing and Heating Supply Wholesalers in the Central States in 1927..... \$1.50

PRIVATE SCHOOLS

- No. 62. Operating Expenses of Private Schools for the Year 1925-26..... \$1.00

PUBLIC UTILITIES

- No. 68. Interstate Transmission of Power by Electric Light and Power Companies in 1926..... \$2.00

SHOE — RETAIL (See also CHAIN STORES)

- No. 59. Cases on Merchandise Control in Women's Shoe Departments of Department Stores (1926)..... \$2.00
 Operating Expenses in Retail Shoe Stores: 1923, No. 43; 1922, No. 36; 1921, No. 31; 1919, No. 20..... 50 cents each
 No. 10. Management Problems in Retail Shoe Stores (1913-1917)..... 50 cents
 No. 7. System of Stock-keeping for Retail Shoe Stores (1922)..... 50 cents
 No. 2. Operating Accounts for Retail Shoe Stores (revised edition — 1917)..... 50 cents

SHOE — WHOLESALE

- No. 6. System of Accounts for Shoe Wholesalers (1916)..... 50 cents

STATIONERY AND OFFICE OUTFITTING — RETAIL

- No. 80. Operating Results of Retail Stationers and Office Outfitters in 1928..... \$2.00
 No. 67. Operating Expenses of Retail Stationers and Office Outfitters in 1926..... \$1.50

TEXTILES (See also COTTON)

- No. 56. Distribution of Textiles (1926)..... (In cloth) \$3.50

WALL PAPER — WHOLESALE

- No. 73. Operating Expenses of Wall Paper Wholesalers in 1927..... \$1.50