OPERATING RESULTS OF DEPARTMENT AND SPECIALTY STORES IN 1944

BY

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DIGEST

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This is a silver anniversary number in an unbroken series of annual studies of department and specialty store operating results. The studies, made possible by the National Retail Dry Goods Association, were initiated not long after the end of World War I. Typical operating results for the trade became available for the first time when the figures for 1920 were published. These annual reports have become the standard reference manual for the trade for data on total store margin, expense, profit, stock-turn, and similar subjects. The current publication, written by Malcolm P. McNair, Professor of Marketing at the Harvard Business School, and prepared by the Bureau of Business Research, presents statistics with commentary for the year 1944.

The 1944 study is based on information contributed by 468 firms operating 634 stores with aggregate sales of $2,693,562,000, or approximately 34.0% of the total sales of all department and specialty stores in the United States for that year.

Some of the more interesting of the department and specialty store operating results for the year 1944 may be summarized as follows:

1. Department Stores on the average increased their sales by 12.3% over 1943, and specialty stores experienced a similar advance. These increases were evenly distributed over all volume groups, although wide variations from the average were reported for different geographical areas and cities. A greater number of transactions and larger individual sales checks accounted almost equally for the advances in total volume.

2. Department store gross margin percentages were slightly lower than for the preceding year, a reflection of a lower initial markon percentage. Specialty store gross margins were also lower than in 1943, but, characteristic of the women's ready-to-wear and accessory trade, they remained above department store margins in general.

3. Total expense for department stores, as shown by the general averages for all reporting firms, dropped 1½% of sales to 28.0%, continuing the trend of the past six years, to reach the lowest point since the early 1920's. This decrease in the total expense percentage,

however, was not accompanied by a corresponding decrease in dollar expenditure. In fact, the dollar cost per transaction in 1944 was slightly higher than the cost in 1943; it was noticeably higher than in 1938, the year of highest percentage costs. The conditions which contributed to this low percentage expense rate included principally the increase in dollar sales, the "trading up" evidenced by the increase in the average sales check, the continuing presence of government restrictions on services offered, and to a lesser extent the maintained pressures on manpower and the willingness of customers to undergo some inconvenience in order to purchase wanted merchandise.

The same tendency for a declining total expense rate was noted in the specialty trade though to a less marked degree. The specialty store expense figures retained their customary position above those of the department stores.

4. Net gain before Federal taxes on income and excess profits rose to a record high of 12.3% for department stores and 10.45% for specialty stores. All volume groups of both department and specialty stores typically displayed high earnings, but the highest figures were found among the smaller stores, in contrast to prewar experience.

5. Federal taxes on income and excess profits levied on department stores averaged 8.5 cents on the sales dollar. This represents a rise of nearly 1% of sales over the 1943 level, an increase which was dependent both on the expanded earnings of department stores and on the higher effective tax rates. To illustrate the effect of Federal taxes more strikingly: 25 cents out of each sales transaction accrued to the government, nearly 24 cents more than in 1936.

   Information on taxes for the specialty stores, while less complete, indicates that tax payments for this trade in general were lower than for department stores.

6. The final net gain after taxes registered by department stores in 1944 came to about 3.5% of sales, a shade under the 1943 figure. In terms of amounts per transaction final gains were not significantly higher in 1944 than in 1936. For specialty stores figures for net gain after taxes followed the pattern of earnings before taxes and lagged slightly behind department store results.

   During none of the three years, 1942 through 1944, has the final profit percentage for department stores been so high as in 1941. In all these years, however, dollar sales volume and consequently dollar earnings mounted substantially.

7. The final return on net worth for department stores typically amounted to from 10% to 15%, which compares favorably with the 9.8% for 1,327 manufacturing concerns reported by the National City Bank in its monthly letter for August, 1945. (It should be noted that whereas the Bureau figures are based on average net worth for the beginning and end of the year, the National City Bank figures are based on net worth as of the beginning of the year only.)

8. The analysis of department and specialty store results for 1944 has tended to confirm the recent impression that the smaller stores have a distinct financial advantage. The decrease in the total expense percentage was more marked among the smaller stores, and hence, earnings before Federal taxes were higher. Relatively lower tax rates and consequently higher percentages of final net gain complete the favorable financial picture for the smaller stores.

9. Total executive compensation, analyzed as a special feature of the 1944 report, ranged from over 5% of sales in the very smallest department stores to less than 1% of sales in stores with volume over the $10,000,000 mark, but the average annual compensation per executive in these smaller stores was only $2,500, as against average figures of over $30,000 at the other end of the scale.

   For the smallest specialty stores, such payments required 6.7% of net sales as against a figure of 1.8% for firms with sales over $4,000,000. The average compensation per executive, however, varied from $3,700 for the firms in the smallest volume group to $28,000 for those in the largest one.

10. It was found that the proportion of cash sales to total sales in department stores commonly increased during 1944, 54% of the total year's sales being made on a cash basis.

11. Increases in the rates of stock-turn to the highest point in 25 years reflected increased sales volume, but were not believed to indicate any substantial depletion of inventory.

12. The productivity of employees, in terms both of number of transactions, and of sales output, showed an appreciable increase as did the productivity of space as measured by sales per square foot of space.

In addition to the analyses from which the foregoing conclusions were derived, the report includes a compilation of data on "goal" firms selected on the basis of favorable expense rates, as well as separate investigations into the effects of size of city and increase of sales on operating results of department stores. Special consideration is devoted to an analysis of costs computed in terms of cents per transaction. Other data compiled by the Bureau and reported in this Bulletin include the following topics: departments opened and closed, self-service and self-selection, evening openings, and rental arrangements.

Soldiers Field
Boston 63, Massachusetts
August, 1945

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FOREWORD

This is a Silver Anniversary bulletin. It is the twenty-fifth in an unbroken series of annual studies of the operating expenses of department stores and specialty stores. This is a unique record among mercantile or manufacturing industries. It has been made possible by the widespread and wholehearted cooperation of store executives and by the foresight and broad point of view of the National Retail Dry Goods Association, which has provided the funds since the beginning for defraying the cost of the research. On this occasion we wish to express emphatically our very keen appreciation of this support and assistance.

The series of studies has been of great value for instructional purposes, and we are advised that many of our cooperators have made frequent and practical applications of the results. The figures have served as useful yardsticks for comparisons. This long series of reports also provides for a major distributive industry a record which is coming to have more and more historical significance the longer the series is continued.

The accounting and statistical work was supervised by Miss Esther M. Love. The bulletin was written by Professor Malcolm P. McNair, who has long taken an active part in the retail cost research. Professor McNair assumes the complete responsibility for any conclusions and opinions expressed in this study.

MELVIN T. COPELAND
Director of Research

BOSTON, MASSACHUSETTS
August, 1945

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Operating Results of Department and Specialty Stores in 1944

Materials

The information and conclusions contained in this bulletin are based on profit and loss statements, balance sheets, and other materials received on 502 separate schedules covering the operations of 674 stores in 1944. Of these 502 schedules, 19 arrived too late to be used and 15 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 468 statements.

The form on which the cooperating stores reported their figures and other information was developed by the Bureau out of its experience in conducting 24 preceding studies for this trade and from contact with store executives. Copies of the form may be secured by writing to the Bureau.

Size of Sample

The total store sales volume of the 502 firms which sent reports was slightly more than $2,750,000,000, and the total store sales (including leased department sales) of the 468 firms for which data were actually used in setting common figures was $2,693,562,000.

It is estimated that this latter amount is 34% of the total sales of department and specialty stores in the United States in 1944. According to the Census of Business for 1939, the sales of department stores and women's ready-to-wear specialty stores (including independents and chains, but excluding mail-order houses and other types of department stores) in 1939 were in excess of $4,510,000,000.[1] On the basis of the Federal Reserve Board's revised index, sales of department stores in 1944 amounted to roughly 175.5% of their sales in 1939, so that the figure for 1944 corresponding to the total above was somewhat more than $7,900,000,000. The sales of the 468 firms for which data actually were used in this study amount to 34% of $7,900,000,000.

Classification of Reports by Kind of Store

In classifying the reports, the first step was to separate those for department stores from those for specialty stores. The Bureau defined a department store as one handling a number of lines of merchandise, including yard goods and, usually, home furnishings. 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.

By Sales Volume

After the division of the reports into two major groups by kind of store, the next step was to classify the reports in each group by total store net sales volume. In this work, consolidated reports for a main store and its branches were classified according to the main store's volume, but consolidated reports for groups of stores similar in volume and not strictly in the relationship of a main store and branches were classified according to sales per store.

This resulted in eleven volume groups for department stores and seven volume groups for specialty stores. The limits of the nine volume groups for department stores with sales of less than $20,000,000 have remained unchanged since the 1929 study, and they dovetail with the group limits used in earlier years. In the present study, however, firms with sales of $20,000,000 or more were separated into two groups at the $30,000,000 mark.

Since 1939 the groups have been established on the basis of total net sales rather than on the basis of net sales in owned departments only, as in earlier years, and thus the classification of some firms has been affected. Moreover, from year to year there has been considerable change in the identity of the firms assigned to the several groups owing to changes in individual store volume.

As indicated in Table A, the changes between 1943 and 1944 were substantial. Partly this was because of increases in sales volume which moved some firms out of the lower groups and into the next higher groups, and partly it was because of a change in the identity of the reporting firms, the latter explanation applying particularly among the smaller volume groups. Furthermore, a number of reports were received from new cooperators. The changes in the make-up of the several volume groups which have occurred for these various reasons render year-to-year comparisons between corresponding volume groups somewhat hazardous. Especially is this true among the smaller volume groups; among the stores in the larger volume classifications there was a somewhat stronger tendency toward continuity in the same groups, and hence these groups afford a better basis for year-to-year comparisons.

[1] U. S. Bureau of the Census, Sixteenth Census of the United States: 1940, Census of Business, Volume I, *Retail Trade: 1939*, Part 1, United States Summary, p. 63.

Common Figures

In this bulletin common figures are given for each of the several volume groups of department stores.

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 lowest and highest figures, respectively, of those occurring in the middle half of the series mark the interquartile range. 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 performance.

The common figures published in this bulletin and in earlier bulletins have represented the typical experience of a store in either a limited group of stores or the entire body of reporting stores. All the common figures for department and specialty stores published prior to 1932 were compiled by assigning equal influence or weight to the experience of each reporting firm regardless of size. In preparing the department store figures for Table 1,

Table A. Distribution of Reporting Stores by Sales Volume Groups for 1943 and 1944—Changes in Sample

Department Stores

Volume Group (Net Sales in Thousands)	Number of Firms for Which Reports Were Available: 1943	1944	Changes in Sample: Number in Preceding Volume Groups in 1943	Number in Succeeding Volume Groups in 1943	Number Available for 1944 but Not for 1943	Number Available for 1943 but Not for 1944	In Same Group in Both 1943 and 1944: Number	Percentage of Total Number of Firms Classified in This Group in 1944
Less than $150	27	25	..	..	8	6	17	68.0%
$150–300	30	29	4	..	5	8	20	69.0
$300–500	33	34	2	..	12	7	20	58.8
$500–750	30	32	6	..	10	7	16	50.0
$750–1,000	27	26	6	..	7	3	13	50.0
$1,000–2,000	54	61	12	..	13	12	36	59.0
$2,000–4,000	46	43	6	..	5	8	32	74.4
$4,000–10,000	58	55	6	..	6	10	43	78.2
$10,000–20,000	32	34	5	..	3	3	26	76.5
$20,000–30,000	17	18	3	..	..	..	15	83.3
$30,000 or More	12	16†	2	..	2†	..	12	75.0
Total	366	373	52	..	71	64	250	67.0%
Total Number of Firms for Which Reports Were Available for Both 1943 and 1944							302‡	
Percentage of Firms Reporting for 1943 and 1944 to Total Firms Reporting for 1944								81.0%

Specialty Stores

Volume Group (Net Sales in Thousands)	Number of Firms for Which Reports Were Available: 1943	1944	Changes in Sample: Number in Preceding Volume Groups in 1943	Number in Succeeding Volume Groups in 1943	Number Available for 1944 but Not for 1943	Number Available for 1943 but Not for 1944	In Same Group in Both 1943 and 1944: Number	Percentage of Total Number of Firms Classified in This Group in 1944
Less than $150	11	14	..	1	6	3	7	50.0%
$150–300	22	17	1	..	3	8	13	76.5
$300–500	10	14	..	..	7	2	7	50.0
$500–1,000	11	15	1	..	6	2	8	53.3
$1,000–2,000	10	12	1	..	2	1	9	75.0
$2,000–4,000	8	7	..	..	..	1	7	100.0
$4,000 or More	19	16	..	..	1	4	15	93.8
Total	91	95	3	1	25	21	66	69.5%
Total Number of Firms for Which Reports Were Available for Both 1943 and 1944							70	
Percentage of Firms Reporting for 1943 and 1944 to Total Firms Reporting for 1944								73.7%

† The report of one firm in this group did not give complete operating figures and hence was not represented in all the tabulations of basic statistical data.
‡ Figures for 1943 for one additional firm were included in the aggregate results presented in Chart 1.

however, the Bureau has averaged the common figures established by the method described above for each of a number of sales volume groups by weighting them according to the *aggregate* sales of the stores reporting for the respective groups. This procedure has given results approaching those which would have been secured if it had been practicable to arrive at the aggregate dollar sales and the aggregate dollar figure for each other aspect of performance for all stores reporting and then to figure the various ratios and percentages from these aggregates. Thus, the department store figures in Table 1, instead of representing the experience of the typical or average store, represent the experience of the trade as a whole.

For the past six years it has been possible to prepare, also, average percentages for all reporting department stores based directly on the aggregate dollar amounts entered by these firms for several of the items in the profit and loss and expense statements. Figures for the past two years are presented in Chart 1.

Weighted averages of common figures were also prepared for comparison with the common figures for expense "goal" firms presented in Tables 14 and 20 and explained on pages 27 and 37. For this purpose common figures were derived for the broader sales classifications (from which the expense "goal" firms were selected) by averaging the common figures for the component sales groups. In the combined results the figures for each of the basic sales classifications were weighted according to the number of reports in the separate groups.

Transactions

In arriving at the figures for average gross sale, 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. The average gross sale results from dividing gross sales by the total number of gross sales transactions.

The typical figures for expenses and profits per transaction as shown in Table 16 were derived by somewhat different methods for each of the two years shown. For 1944, the common percentages of sales for all reporting firms in the groups considered were multiplied by the common figure for net sales income per gross sales transaction. For 1936, expenses and profits per transaction were computed for each firm which reported transaction data individually and common figures were derived from these basic data. Inasmuch as the method used for 1944 was somewhat less exact than that used for 1936, the more recent results are shown to the nearest 0.5 cents rather than to the nearest 0.1 cents.

Definitions of Major Items

Net Sales, as used throughout this bulletin, represents the 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 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 not only actual expenditures and regular charges, such as those for depreciation, but also 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: 1944." Readers who wish more information should write to the Bureau.

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, as defined above, from net sales. 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. This figure, however, is *not* the net business profit *before interest on owned capital* which many businessmen 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 a more accurate index of operating efficiency than net gain.

Net other income includes interest at 6% on such part of the capital used in the business as represents the firms' 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 nonmerchandising operations.

Net gain before federal taxes 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.

Net federal taxes on income and excess profits is the provision for taxes on 1944 earnings, after the deduction of the 10% credit on the excess profits tax for the taxable year. For purposes of the study the full deduction is taken currently whether it is actually allowed as a postwar credit or taken for debt retirement during the taxable year.

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 and revised in 1937 and 1942. There are, however, three important differences: those in the handling of (a) rentals and related items, (b) interest, and (c) professional services. These are discussed below.

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 plus depreciation on leasehold improvements and leasehold valuation; in addition, it includes taxes, interest, insurance, and depreciation 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 include expenditures or charges on equipment.

Interest

Interest includes interest at 6%[1] on the following assets: 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. Interest paid on borrowed capital and interest received are not considered in arriving at the interest charges in the expense statement, but are considered in arriving at net other income.

Professional Services

Professional services include 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 here.

Payroll

Largely as a result of the federal and state social security legislation, the Controllers' Congress, in February, 1936, recommended that pensions and retirement allowances, unemployment insurance

[1] The use of the 6% rate in 1944 may have resulted in the overstatement of interest expense, particularly for large firms. Data on interest rates on borrowed capital reported by a few department stores serve as a basis for the median figures given below.

Interest Rates on Borrowed Capital: 1944

Department Stores with Net Sales (in thousands)	Short-Term Loans Number of Reporting Firms	Short-Term Loans Rate	Long-Term Loans Number of Reporting Firms	Long-Term Loans Rate
Less than $500	3	...	6	6%
$500–750	4	5%	4	4½
$750–1,000	5	5	6	4¼
$1,000–2,000	12	4	16	4½
$2,000–4,000	10	3¼	11	4½
$4,000–10,000	6	1½	11	4
$10,000–20,000			9	4
$20,000–30,000	10	1½	7	3½
$30,000 or More			8	2½

privately provided, and supper money be included in unclassified rather than in payroll. The Bureau adopted these revisions in the Controllers' Congress classifications and, as a result, introduced some lack of comparability between the figures for payroll and unclassified for 1936 through 1944, on the one hand, and those for earlier years.

Taxes

Taxes do not include taxes on real estate, which are included in real estate costs, or federal income taxes but do include payroll taxes and such taxes on sales or gross income as the stores were unable to collect directly from their customers.

Stock-turn

The stock-turn figures given in this report, based upon beginning and ending inventories, were computed by dividing total merchandise costs (net) as defined under gross margin on page 40 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, total merchandise costs or net sales being used as dividends.

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, from the standpoint of the number of firms reporting the necessary data, they usually are the ones mentioned in the text.

Initial Markon

Of the other items given in the tables, initial markon requires special explanation. The figures for initial markon were not based on initial markon 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 markon, 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 markon 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:

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

Using figures for department stores with \$4,000,000 to \$10,000,000 sales from Table 4, the computation of the rate of initial markon based on invoice cost delivered is as follows:

$$\frac{38.4+0.4+5.05-2.7}{100+5.05} = \frac{41.15}{105.05} = 39.15$$

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. In the few cases where all expenses apparently were distorted as a result of leased department operations, the entire statement was omitted.

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*To firms furnishing figures for the department store studies and to members of the National Retail Dry Goods Association, the list price of Bulletin No. 122 is $1.00.

For a complete list of research publications, write to the Division of Research, Harvard Business School, Soldiers Field, Boston 63, Massachusetts. Unless otherwise indicated, orders should be addressed to the Division. Whenever possible the remittance should accompany the order. Checks should be made payable to Harvard University.