

CHAPTER 17.—JEWELRY CHAINS

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JEWELRY CHAINS

INTRODUCTION

There are 65 jewelry store chains in the United States, operating 438 stores with total annual sales in 1929 amounting to \$35,687,555. Of these chains, 41 are so-called credit jewelry chains, operating 283 stores, identified in all Retail Census reports as installment jewelry stores, as distinguished from the usual kind of jewelry store, which also extends credit, as a rule, but does not make its appeal on the basis of deferred payments or installment credit terms. These installment credit jewelry chains report annual sales for the year 1929 of \$29,135,314, which may be compared with total annual sales of all installment credit jewelry stores in the United States of about \$60,000,000, indicating a chain ratio in this kind of business of nearly 50 per cent.

The remaining 24 chains operate 155 jewelry stores of the usual kind, with aggregate sales of \$6,552,241, a negligible factor in comparison with total annual sales, in the nearly 20,000 such jewelry stores, of about \$478,000,000. Although these 24 chains are not classified as installment jewelers, an analysis of the sales of 14 of them shows that 10 per cent of their sales is on the installment basis (compared with 80 per cent by installment jewelry chains), 42 per cent of their sales is on open charge accounts, and 48 per cent is for cash. Only 5.5 per cent of installment jewelry chain sales is on open account, and nearly 15 per cent is for cash.

Included in the count of chains given above are five organizations operating 49 leased jewelry departments in apparel and department stores, with aggregate sales of \$1,520,509. Because of the small number of companies involved, and the fact that one of them is an installment jewelry chain, no further facts about them as a type can be revealed in this report, in order to avoid disclosure of individual operations. However, they are included in the totals.

EMPLOYMENT, WAGES, AND OPERATING EXPENSES

The chains employ 2,899 full-time employees and 542 part-timers, with an aggregate annual pay roll of \$5,416,487. The average annual salary of full-time employees of the installment jewelry chains is reported to be \$1,865, while that of full-time employees of the other jewelry chains is reported to be \$1,701.

In the aggregate the operating expenses of the installment jewelry chains amount to \$43.44 per \$100 of their sales, of which pay roll is 14.93 per cent. In comparison, the chains which are not classified as installment chains show operating expenses amounting to \$40.46 per \$100 of their sales, of which pay roll is

16.30 per cent. For installment jewelry chains the rent paid for leased premises amounts to 5.6 per cent of the aggregate sales on such premises; the corresponding percentage for other jewelry chains is 9.36. Both of these rent percentages are based upon the cost of rent of leased premises, in proportion to sales in such leased premises. More than 80 per cent of the premises are leased. Operating expenses do not include any return in the form of interest on capital invested in fixtures, merchandise, and accounts. Central office salaries of seven of the installment jewelry chains average 6.7 per cent of the total sales of these seven chains, and are supposed to have been prorated to the stores of the chains. Stocks of merchandise on hand at the end of the year aggregate \$7,445,600 at cost, indicating a retail turnover of about two times, in installment jewelry chains. The stocks total \$2,795,159 in other jewelry chains.

SALES BY COMMODITIES

Diamond jewelry is the largest single item of merchandise sold, in both kinds of jewelry chains. Watches constitute a close second. In the stores of the installment chains these two items together constitute 61 per cent of total sales, and they make up more than 40 per cent of the sales of the other chains. All jewelry items constitute 91.68 per cent of total sales of the installment chains and 88.04 per cent of total sales of the other jewelry chains. Other commodities are electrical appliances, optical goods, china, glassware, and radios. Receipts from the repair department amount to 2.35 per cent of installment chain sales and 1.77 per cent of other jewelry chain sales. The report contains commodity tables analyzing the sales of each kind of chain in considerable detail.

SUMMARY

	Number of chains	Number of units	Net sales (1929)
Total, all jewelry chains.....	65	438	\$35,687,555
Jewelry chains—installment credit.....	41	283	29,135,314
Jewelry chains (other than installment).....	24	155	6,552,241
Leased-department jewelry chains (included in the above classifications but can not be reported separately because of individual operations).....	5	49	1,520,509

Number of units:

Established prior to 1925.....	181 (41.32 per cent)
Established from 1925 to 1928, inclusive.....	160 (36.53 per cent)
Established during 1929.....	76 (17.35 per cent)
Date of establishment unknown.....	21 (4.80 per cent)
Installment jewelry chains (based on 41 chains):	
Cash sales.....	14.77 per cent
Open-account sales.....	5.48 per cent
Installment sales.....	79.75 per cent
Jewelry chains other than installment (based on 14 chains):	
Cash sales.....	47.83 per cent
Open-account sales.....	41.80 per cent
Installment sales.....	10.37 per cent
Operating expenses:	
Installment jewelry chains—	
Total store expenses.....	\$43.44 per \$100 of sales
Total wage cost.....	\$14.93 per \$100 of sales
Rent (based on 266 stores).....	\$5.16 per \$100 of sales
Jewelry chains other than installment—	
Total store expenses.....	\$40.46 per \$100 of sales
Total wage cost.....	\$16.30 per \$100 of sales
Rent (based on 134 stores).....	\$9.36 per \$100 of sales

TABLE 1.—SALES CLASSIFIED BY GEOGRAPHIC DIVISIONS AND SIZE OF CITY—
ALL JEWELRY STORE CHAINS

GEOGRAPHIC DIVISION AND SIZE OF CITY	Net sales	GEOGRAPHIC DIVISION AND SIZE OF CITY	Net sales
UNITED STATES		SOUTH ATLANTIC (DIV. 5)	
Total net sales.....	\$35,687,555	Total.....	\$4,208,767
Cities and places of—		Cities and places of—	
More than 100,000.....	26,664,948	More than 100,000.....	3,184,121
25,000 to 100,000.....	7,248,376	25,000 to 100,000.....	815,545
10,000 to 25,000.....	1,417,668	10,000 to 25,000.....	184,601
Less than 10,000.....	356,563	Less than 10,000.....	24,500
NEW ENGLAND (DIV. 1)		EAST SOUTH CENTRAL (DIV. 6)	
Total.....	2,823,449	Total.....	1,683,587
Cities and places of—		Cities and places of—	
More than 100,000.....	2,170,390	More than 100,000.....	1,348,258
25,000 to 100,000.....	602,006	25,000 to 100,000.....	197,046
10,000 to 25,000.....	40,388	10,000 to 25,000.....	116,081
Less than 10,000.....	10,655	Less than 10,000.....	22,202
MIDDLE ATLANTIC (DIV. 2)		WEST SOUTH CENTRAL (DIV. 7)	
Total.....	9,050,384	Total.....	1,153,973
Cities and places of—		Cities and places of—	
More than 100,000.....	6,852,753	More than 100,000.....	575,056
25,000 to 100,000.....	1,894,126	25,000 to 100,000.....	398,074
10,000 to 25,000.....	291,225	10,000 to 25,000.....	123,306
Less than 10,000.....	12,280	Less than 10,000.....	57,537
EAST NORTH CENTRAL (DIV. 3)		MOUNTAIN DIVISION (DIV. 8)	
Total.....	11,129,156	Total.....	248,752
Cities and places of—		Cities and places of—	
More than 100,000.....	8,226,743	More than 100,000.....	97,006
25,000 to 100,000.....	2,472,908	25,000 to 100,000.....	103,142
10,000 to 25,000.....	279,475	10,000 to 25,000.....	48,604
Less than 10,000.....	150,030		
WEST NORTH CENTRAL (DIV. 4)		PACIFIC COAST (DIV. 9)	
Total.....	499,108	Total.....	4,890,379
Cities and places of—		Cities and places of—	
More than 100,000.....	364,082	More than 100,000.....	3,846,539
25,000 to 100,000.....	24,327	25,000 to 100,000.....	844,344
10,000 to 25,000.....	110,524	10,000 to 25,000.....	168,916
Less than 10,000.....	175	Less than 10,000.....	30,580

TABLE 2A.—CHAINS CLASSIFIED ACCORDING TO VOLUME OF SALES

	Number of chains	Total net sales (1929)	Per cent of total sales
Total, all jewelry chains.....	65	\$35,687,555	100.00
In excess of—			
\$1,000,000.....	8	14,334,997	40.17
\$600,000 to \$1,000,000.....	11	8,965,074	25.12
\$300,000 to \$600,000.....	19	8,336,698	23.36
\$100,000 to \$300,000.....	20	3,646,749	10.22
Less than \$100,000.....	7	404,037	1.13

TABLE 2B.—SALES CLASSIFIED BY TYPES OF OPERATION AND SIZE OF CHAINS

SIZE—CLASS	ALL TYPES				
	Number of chains	Number of units	Net sales (1929)	Per cent of total sales	Average sales per unit
Totals, all jewelry chains.....	65	438	\$35,687,555	100.00	\$81,478
Jewelry chains—installment credit.....	41	283	29,135,314	81.64	102,952
Chains of—					
More than 10 units.....	5	88	8,127,109	22.77	92,353
6 to 10 units.....	13	95	10,322,487	28.93	108,658
Less than 6 units.....	23	100	10,685,718	29.94	106,857
Jewelry chains—other than installment.....	24	155	6,552,241	18.36	42,273
Chains of—					
More than 6 units.....	10	90	4,197,807	11.76	46,642
Less than 6 units.....	14	65	2,354,434	6.60	36,222

SIZE—CLASS	LOCAL CHAINS			SECTIONAL AND NATIONAL CHAINS		
	Number of chains	Number of units	Net sales (1929)	Number of chains	Number of units	Net sales (1929)
Totals, all jewelry chains.....	43	247	\$19,578,578	22	191	\$16,108,977
Jewelry chains—installment credit.....	29	158	16,446,212	12	125	12,689,102
Chains of—						
More than 10 units.....	10	75	6,960,632	8	108	11,488,964
6 to 10 units.....		83	9,485,580	4	17	1,200,138
Less than 6 units.....	19					
Jewelry chains—other than installment.....	14	89	3,132,366	10	66	3,419,875
Chains of—						
More than 6 units.....	4	42	1,528,767	6	48	2,669,040
Less than 6 units.....	10	47	1,603,599	4	18	750,835

TABLE 3.—OPERATING EXPENSES

A.—JEWELRY CHAINS—INSTALLMENT CREDIT

	All chains	More than 11 units (5 chains)	6 to 10 units (13 chains)	Less than 6 units (23 chains)
Net sales (1929).....	\$29,135,314	\$8,127,109	\$10,322,487	\$10,685,718
Number of chains.....	41	5	13	23
Units operated by local chains.....	158	11	64	83
Units operated by sectional and national chains.....	125	77	31	17
Operating expenses ¹	\$12,655,584	\$3,472,833	\$4,422,130	\$4,760,621
Per \$100 of sales.....	43.44	42.73	42.84	44.55
Pay roll.....	\$4,348,758	\$1,164,543	\$1,493,882	\$1,690,333
Per \$100 of sales.....	14.93	14.33	14.47	15.82
Full-time salaries.....	\$4,277,659	\$1,129,074	\$1,476,444	\$1,672,141
Full-time employees.....	2,293	626	781	886
Part-time salaries.....	\$71,099	\$35,469	\$17,438	\$18,192
Part-time employees.....	288	67	154	67
Other operating expenses, including rent.....	\$8,306,826	\$2,308,290	\$2,928,248	\$3,070,288
Per \$100 of sales.....	28.51	28.40	28.37	28.73
Rent, in 266 leased premises per \$100 of sales in such leased premises (included in preceding figures).....	5.16	4.92	4.59	6.17
Stocks on hand, end of year, at cost.....	\$7,445,600	\$2,443,705	\$2,405,275	\$2,596,620

See footnote at end of table.

TABLE 3.—OPERATING EXPENSES—Continued

B.—OTHER JEWELRY CHAINS

	All chains	More than 6 units (10 chains)	Less than 6 units (14 chains)
Net sales (1929).....	\$6, 552, 241	\$4, 197, 807	\$2, 354, 434
Number of chains.....	24	10	14
Units operated by local chains.....	89	42	47
Units operated by sectional and national chains.....	66	48	18
Operating expenses ¹	\$2, 650, 716	\$1, 716, 003	\$934, 713
Per \$100 of sales.....	40.46	40.88	39.70
Pay roll.....	\$1, 067, 729	\$678, 574	\$389, 155
Per \$100 of sales.....	16.30	16.17	16.53
Full-time salaries.....	\$1, 031, 190	\$649, 715	\$381, 475
Full-time employees.....	606	409	197
Part-time salaries.....	\$36, 539	\$28, 859	\$7, 680
Part-time employees.....	254	210	44
Other operating expenses, including rent.....	\$1, 582, 987	\$1, 037, 429	\$545, 558
Per \$100 of sales.....	24.16	24.71	23.17
Rent in 134 leased premises per \$100 of sales in such leased premises (included in preceding figures).....	9.36	10.57	7.73
Stocks on hand, end of year, at cost.....	\$2, 795, 159	\$1, 333, 605	\$1, 461, 554

¹ This computation of expenses includes no return on capital invested in merchandise, fixtures, or accounts. Expenses do not include, of course, the cost of merchandise sold, nor profit.

TABLE 4.—CREDIT BUSINESS

SIZE-CLASS	Number of chains reporting credit sales	Total net sales in chains reporting credit sales	CREDIT SALES				CASH SALES	
			Open account	Per cent of total net sales	Installment	Per cent of total net sales	In chains reporting sales	Per cent of total net sales
Total—Jewelry chains—installment credit.....	41	\$29, 135, 314	\$1, 597, 720	5.48	\$23, 234, 753	79.75	\$4, 302, 841	14.77
Chains of—								
More than 11 units.....	5	8, 127, 109	4, 465	.06	7, 150, 519	87.98	972, 125	11.96
6 to 10 units.....	13	10, 322, 487	233, 405	2.26	8, 561, 806	82.94	1, 527, 276	14.80
Less than 6 units.....	23	10, 685, 718	1, 359, 850	12.72	7, 522, 428	70.40	1, 803, 440	16.88
Total—Jewelry chains other than installment.....	14	4, 106, 933	1, 716, 683	41.80	425, 916	10.37	1, 964, 334	47.83
Chains of—								
More than 6 units.....	5	2, 348, 614	1, 017, 780	43.34	277, 005	11.79	1, 053, 829	44.87
Less than 6 units.....	9	1, 758, 319	698, 903	39.75	148, 911	8.47	910, 505	51.78

TABLE 5.—UNITS CLASSIFIED BY AGE IN EACH GEOGRAPHIC DIVISION
[ALL JEWELRY CHAINS]

GEOGRAPHIC DIVISION	Per cent of total units	Total units	DATE OF ESTABLISHMENT OF UNITS			Units whose ages can not be determined
			1929	1925 to 1928	Previous to 1925	
UNITED STATES (ALL DIVISIONS)						
Total.....	100.00	438	76	160	181	21
New England.....	11.42	50	11	5	17	17
Middle Atlantic.....	22.60	99	15	47	36	1
East North Central.....	31.05	136	24	43	67	2
West North Central.....	5.03	22	5	8	9	-----
South Atlantic.....	9.13	40	7	18	15	-----
East South Central.....	5.02	22	4	13	5	-----
West South Central.....	2.73	12	2	5	5	-----
Mountain.....	2.06	9	-----	8	1	-----
Pacific coast.....	10.96	48	8	13	26	1

TABLE 6.—SALES BY COMMODITIES

A.—JEWELRY CHAINS—INSTALLMENT CREDIT		B.—JEWELRY CHAINS OTHER THAN INSTALLMENT	
COMMODITY	Net sales (1929)	COMMODITY	Net sales (1929)
Total net sales (1929).....	\$29,135,314	Total net sales (1929).....	\$6,552,241
Amount which can not be broken down into commodities.....	3,724,025	Amount which can not be broken down into commodities.....	3,472,565
Sales further analyzed.....	25,411,289	Sales further analyzed.....	3,079,676
	<i>Per cent</i>		<i>Per cent</i>
Jewelry, silverware, clocks, and watches.....	91.68	Jewelry, silverware, clocks, and watches.....	88.04
Of the above 57.51 per cent is further broken down as follows:		Of the above 42.79 per cent is further broken down as follows:	
Clocks.....	5.08	Clocks.....	1.09
Watches.....	25.93	Watches.....	19.66
Diamond jewelry.....	35.12	Diamond jewelry.....	21.93
Rings, other than diamond.....	6.02	Rings, other than diamond.....	8.58
Gold and gold filled jewelry.....	5.40	Gold and gold-filled jewelry.....	10.24
Plated silverware.....	1.93	Plated silverware.....	3.96
Sterling silverware.....	2.87	Sterling silverware.....	2.89
All other jewelry.....	9.33	All other jewelry.....	19.69
Electrical appliances.....	.88	Leather goods and luggage.....	3.31
China and glassware.....	.86	Miscellaneous merchandise, unclassified.....	6.88
Leather and luggage.....	.30	Receipts from repairs and service.....	1.77
Optical goods.....	1.34		
Radio.....	.78		
Toilet articles.....	.23		
Miscellaneous merchandise, unclassified.....	1.58		
Receipts from repairs and service.....	2.35		