

# RETAIL TRADE: 1939

## United States Summary and Special Subjects

### INTRODUCTION

**Statistics in this volume.**—This volume presents the United States summary tables of all retail trade data for 1939 which was published previously in more detail by States and other areas, and certain other retail data for the United States not published by smaller areas. It also includes tables giving data by States and cities on retail employment by months and by sex; basic data analyzed by types of operation (independents, chains, etc.); by legal forms of organization (proprietorships, corporations, etc.); stocks on hand; credit sales and receivables, including installment credit; by size of cities; the extent and nature of negro proprietorships in retail trade; and certain other data as shown by the table of contents. The text points out significant trends in retail trade and contains comparisons with previous census data to show the nature of changes in the decade from 1929 to 1939.

**Retail Census publications for 1939.**—The Retail Census reports for 1939 are contained in Census of Business, Volume I, a part of the Sixteenth Census of the United States. This volume is in three parts: Part 1 contains United States summary and special subject tables; part 2 presents data by States and cities on retail sales by commodities and an analysis by geographic divisions and States of basic data by size of stores based on dollar volume of sales; and part 3 contains tables by kinds of business for all States, counties, cities and other incorporated places, and rural areas in each county. Comparable data for 1929 were published in Distribution Volume I (in three parts) of the reports of the Fifteenth Census of the United States: 1930. Less formal reports were published in booklet form covering retail trade in 1933 and 1935. United States summary tables by kinds of business and by States for 1929 and 1935 are reproduced in Appendix D for reference.

**Subject reports and trade reports.**—Special subject reports were published from time to time as data from the census were completed, and many more were planned which could not be completed because of the pressure of wartime activities of the Census Bureau. Those published are reproduced elsewhere in this volume, and are listed in the table of contents.

Also planned was a series of trade reports which were to have brought together for convenient use the pertinent census facts concerning each principal retail trade or kind of business, for past and current years. This series of trade reports was abandoned entirely because of the war.

**Meaning of the census.**—The Census of Business is a carefully compiled tabulation of basic business data concerning every place of business within its scope known to exist during 1939, except the relatively few which came into existence and went out again before they could be enumerated. In addition to retail trade, data for which are presented in the three parts of this volume, the Census of Business, 1939, covers wholesale trade, the distribution of manufacturers' sales, the construction industry, service establishments, hotels, laundries, cleaning and dyeing plants, tourist courts and tourist camps, motion-picture theaters and other places of amusement, and sales finance companies.<sup>1</sup>

Unlike most surveys or sample studies in the field of business, Census data represent complete coverage, hence are much wider in scope. Survey statistics frequently are confined to a limited portion of the universe studied, whereas Census data cover the entire field. Relatively few items are generally covered in surveys or sample studies, while in the Census, data are presented on many phases of business such as number of stores or establishments, sales, employment, pay roll, inventories, cash-credit business, and the like. Census statistics are *basic* and *fundamental* and provide a dependable base or bench mark for evaluating and projecting current data of a more limited nature. Published data are limited to aggregates of at least enough establishments to conceal effectively the figures of any one.

Included in this volume is a study and analysis of significant changes in retail trade in the decade preceding 1939, which are disclosed by comparison of the 1939 and 1929 censuses, with frequent reference to interim censuses of 1933 and 1935. The schedules used in gathering the data, descriptions of the various classifications, and definitions of terms are presented in the appendixes to this volume.

**History of the retail census.**—The first census of retail trade was taken as a part of the Census of Distribution of 1929, which followed a trial census of 11 cities in 1926. The second retail census was taken as a part of the Census of American Business of 1933, and the third as a part of the Census of Business of 1935.

In this report 1939 data are compared with those for the census years 1929 and 1935. The data represent the operations of retailers during the years 1939, 1935, and 1929, respectively. The figures were collected by the Bureau of the Census during the year following that to which they pertain in a complete field canvass of retail stores in every State, city, and county in the

<sup>1</sup> Included as a special subject in this volume.

United States. In the appendixes are descriptions of the kind-of-business classifications and a table which compares the classifications used in 1939 with their 1935 and 1929 equivalents.

**Scope of the retail census.**—Insofar as it is possible in a comprehensive nationwide canvass, every place of business primarily engaged in selling merchandise in a retail manner to personal and household consumers is included herein, as well as eating and drinking places and filling stations. Mail-order houses selling from catalogs, house-to-house sellers, roadside stands, and public markets are included, as well as the more conventional types of retail stores in all kinds of business. Selling in a retail manner is selling in individual units or small quantities to personal and household consumers, from established places of business, for consumption rather than for resale.

Wholesalers selling to retailers for resale and to industrial users for business consumption are not included but are covered by the Wholesale Census. Wholesaler-retailers are included in their entirety in whichever of the two censuses the *major* portion of their business applies.

Service businesses, primarily engaged in selling personal and commercial services rather than merchandise, are not included in retail trade but are covered by a separate Census of Service Businesses. The borderline between services and retail trade presents some problems in classification which are resolved on the basic principle that each separate establishment is included in its entirety in whichever census the *major* portion of its business applies.

Contractors and builders engaged in the construction industry as a business (in contradistinction to private builder-owners) are covered by the Construction Census. There are few borderline problems between the retail and the construction field, but in such cases the same principle applies—that each place of business or establishment is included in its entirety in whichever census the *major* portion of its activities applies.

Manufacturers are covered by the Census of Manufactures. Many manufacturers sell a portion of their products at retail. If sold from a separate establishment, whether under the same name or that of a subsidiary, the retail establishment is classified as a retail store. When a manufacturer sells entirely or principally at retail from the same place of business as his factory, the volume of retail sales exceeds the factory value of the product and he is classified as a retailer. A separate manufacturers schedule is obtained, however, if the factory value of his product exceeds a minimum, which in most industries is set at \$5,000. Many retailers produce some of the goods they sell and the same procedure is followed—a separate schedule for the Manufacturers Census if the value of products exceeds the minimum.

The distribution of manufacturers' sales, however, is within the scope of the Census of Business. Manu-

facturers schedules contain a special section calling for a report of the channels of distribution of the manufacturer's sales for the year—how much was sold to wholesalers for resale, how much to retailers, how much to personal and household consumers, how much to exporters, etc. This special section when reconciled is detached and transferred to the Census of Business, where the information is compiled and reported in the Business Census under the title: "Distribution of Manufacturer's Sales."

**Changes in scope, 1929—1939.**—The first business census, Distribution Census: 1929, did not include a Service Businesses division; consequently certain automotive services such as repair garages, painting, tire and battery repairing, etc., were included in the Retail Trade division. Later when the Service Businesses division was organized these services were dropped. Other slight modifications in scope have taken place, none of particular importance except to the trades involved and none affecting totals by as much (in the aggregate) as one-tenth of 1 percent. Elsewhere in this volume (Appendix B) is a table reconciling minor changes in classification, which also indicates the nature of the changes in scope.

**The canvass.**—The canvass of retail stores was begun on January 2, 1940, and was conducted by the regular field organization of the Bureau of the Census. Reports were obtained for each retail place of business in every State, county, and city in the continental United States,<sup>2</sup> in the form of schedules for each store, whether independent, chain, or other type of operation. A retail store is, for census purposes, the place where the business is conducted if readily recognizable as a place of business.

Every effort was made to insure a complete field canvass. It is possible in isolated instances that some establishments were not enumerated, but the effect of any such omissions on kind-of-business totals for the United States or individual States is insignificant.

**Schedules used.**—In the enumeration two retail schedule forms were used—a short form and a long form. Copies of these are included in the appendixes of this volume. The short-form retail schedule (Form 20) was used for all independent stores with total sales for the year 1939 of less than \$20,000. The longer schedule (Form 21) was used for larger independent stores (with total sales for the year of \$20,000 or more) and for all chain-store units regardless of sales volume. Consolidated reports were accepted for two or more retail stores under the same ownership or management and in the same kind of business, if they were located within one city or town or in one county outside the corporate limits of cities or towns. In these cases, however, an additional report on a listing sheet (Form 21A) was required, showing data on sales, employment, and pay roll for each store.

<sup>2</sup> Separate reports have been issued for Alaska, Hawaii, and Puerto Rico.

**Classifications.**—*Area* classifications in the Census of Business follow the geographic pattern used throughout Census reports. The minimum size of incorporated places is 2,500 population (as of the 1940 Population Census). Places of less than 2,500 and rural areas within each county are grouped in a single total called "Remainder of county." In the area volume (volume I, part 3) are shown the number of stores and their sales for each incorporated place of more than 2,500, remainder of each county, total of each county, and total of each State. United States totals are aggregates of State totals. In some New England States are also shown separate totals for towns or townships characteristic of that part of the country. In Louisiana the areas corresponding to counties are known as parishes. In several States are cities embracing parts of two counties, and there are four cities on State lines which must be reported in two totals each to keep State totals intact. In this volume, however, the parts are also brought together to show city totals. These interstate cities are Texarkana, Texas-Arkansas; Bristol, Virginia-Tennessee; Bluefield, Virginia-West Virginia; and Union City, Ohio-Indiana.

**Kind-of-business** classifications conform to current business usage in previous classification practice with minor exceptions. Definitions of classifications have appeared in previous publications of the Retail Census and are included in the appendix to this volume. Although comparability in the data has been maintained between the various censuses, some of the data may reflect changes in classification of individual establishments as well as developments in distribution. Each place of business is classified according to its major kind of business. A change in sales emphasis of borderline establishments may shift the establishment's entire business from one classification to another within the Retail Census or from the Retail to the Wholesale or Service Census. For example, a distributor of automobiles may be engaged primarily in wholesale trade at one census and, at another census, the greater proportion of his sales may be at retail. Similarly a retailer-wholesaler of hardware may be classified as a retail store for one census and as a wholesale establishment at another.

The shift in classification, between kinds of business within the retail census, may be due to a shift in the store's business. On the other hand a change in a store's classification from its 1935 to its 1939 classification may be the result of the better basis for kind-of-business classification which was provided by the commodity data obtained in the 1939 Census of Retail Trade. For instance, many general stores designated as such on their schedules, and classified as such in 1935, were classified as food stores in 1939 on the basis of analysis of their commodity sales. Stores designated as general stores on their schedules were classified as food stores only if more than two-thirds of their sales

were accounted for by sales of food. This classification was made possible by the use of the so-called block system (see sample schedules reproduced in this report) which required the stores to furnish the dollar volume of sales for each of a limited number of related commodity classifications.

**Type-of-operation** classifications remain unchanged from previous censuses. The three major groups are independents, chains, and other types. The first are stores merchandised and operated as single units, or as a local branch system of small stores surrounding a large nucleus store. Chains are groups of four or more stores in the same kind of business, under one ownership and merchandised and operated centrally. The "other types" are described in detail on page 845.

**Legal forms of organization** are principally individual proprietorships, partnerships, corporations, and cooperative associations. The latter are organized under special laws in most States intended to provide limited liability to members of cooperative associations which operate stores or factories.

**Size** classifications are based upon dollar volume of sales, size of city, and upon the number of employees. Tables herein show analyses of retail trade under each of these three size concepts. Comparability with previous years makes it possible to note significant changes in the decade between 1929 and 1939.

**Reconciliation of classifications.**—For most purposes there is no need to adjust previously published figures of earlier censuses for comparability with the current census. This volume includes numerous comparative tables in which adjustments have been made. For detailed study, however, there is incorporated in the appendix a table of reconciliations between detailed classifications as used in 1929, 1935, and 1939.

## COMPARISON WITH PREVIOUS YEARS

(Tables 1A and 2A)

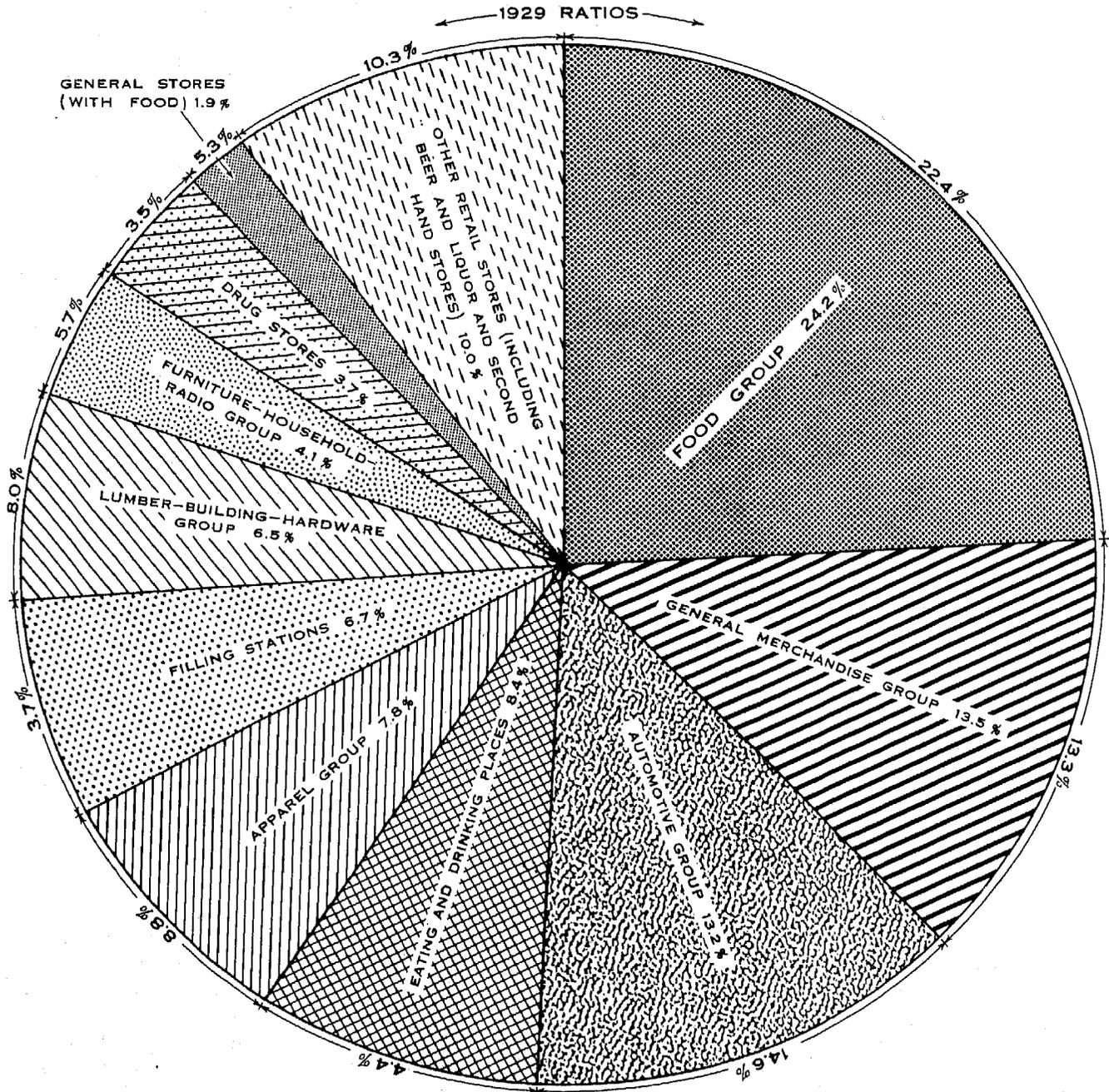
The dollar volume of retail trade in the United States, which the first Retail Census showed to be close to 50 billion dollars in 1929, declined nearly 50 percent during the depression of the early 1930's to a low of about 25 billion dollars in 1933, rose to \$32,791,212,000 in 1935 and in 1939 reached \$42,041,790,000; or within 13 percent of the 1929 peak. Data for 1939 on stores, sales, personnel, pay roll, and stocks are shown by kinds of business in detail in table 2A herein.

The cost-of-living index, reflecting principally retail prices and rent, was 19.2 percent<sup>3</sup> lower in 1939 than in 1929, which would indicate, with the 13 percent decrease in dollar sales, that the physical volume of goods sold at retail in 1939 may have been as much as 7 to 8 percent greater than the physical volume 10 years earlier. Population meanwhile increased from 122,775,046 to 131,669,275, or 7.2 percent.

<sup>3</sup> B. L. S. Index for June 1929—122.1; for June 1939—98.6, a decrease of 19.2 percent.

CHART I. SALES BY MAJOR BUSINESS GROUPS, 1939

(Ratio of each to total retail sales in the United States with notation of 1929 ratios for comparison.)



TOTAL STORES 1,770,355  
 TOTAL SALES \$42,041,790,000

There was a progressive increase in the number of stores during the decade, from 1,476,365 in 1929 to 1,587,718 in 1935 and 1,770,355 in 1939. The largest proportionate gain in stores in the 10 years following 1929 was in small towns under 2,500 population and rural communities, resulting from the growth of small filling stations and eating and drinking places serving the motoring public. The gain over 1929 is entirely in independent stores and some miscellaneous types such as direct-selling (house-to-house), cooperatives, utility-operated household appliance salesrooms, and State liquor stores. Chain stores declined 19 percent in number but gained in sales ratio (percent of total sales). The facts are shown in detail in table 3F herein, a summary of which follows, and in tables 12A to 12G by size of cities:

SUMMARY COMPARISON OF STORES AND SALES

(Tables 1A, 3F, and 12A to 12G)

	1939	1935 <sup>1</sup>	1929 <sup>2</sup>	
			Compar-able	Original
Total number of stores.....	1,770,355	1,587,718	1,476,365	1,543,168
Total sales (add 000).....	\$42,041,700	\$32,701,212	\$48,329,652	\$40,114,653
<b>BY TYPES OF OPERATION</b>				
Independents: Number of stores..	1,024,865	1,436,054	1,313,927	1,380,007
Percent of total sales.....	74.7	73.3	77.3	77.6
Chains: Number of units.....	123,195	181,430	151,509	151,712
Percent of total sales.....	21.7	23.3	20.6	20.3
Other types: Number of stores.....	22,495	21,234	10,839	10,839
Percent of total sales.....	3.6	3.4	2.1	2.1
<b>BY SIZE OF CITIES</b>				
Total number of stores.....	1,770,355	1,053,901	1,476,365	1,543,168
<b>Cities over 30,000 population:</b>				
Number of stores.....	750,103	724,103	(?)	683,751
Percent of total sales.....	57.1	57.2	(?)	58.0
<b>Cities of 5,000 to 30,000:</b>				
Number of stores.....	311,410	276,371	(?)	268,852
Percent of total sales.....	20.0	19.0	(?)	18.5
<b>Cities of 2,500 to 5,000:</b>				
Number of stores.....	108,070	90,903	(?)	99,258
Percent of total sales.....	5.6	5.7	(?)	5.8
<b>Places under 2,500:</b>				
Number of stores.....	591,772	550,584	(?)	491,297
Percent of total sales.....	17.3	18.1	(?)	17.7

<sup>1</sup> Figures for types of operation revised to exclude data for service garages and other automotive businesses. Revised figures, by size of cities, not available.  
<sup>2</sup> Data required for revision of 1929 by types of operation are not available. Probably most of the 60,705 service garages and other automotive service businesses excluded (because now included in Service Census rather than Retail) were independents except 18 garage chains with 113 garages and sales of \$4,500,000. For comparison with subsequent years the remainder might be deducted from the 1,380,007 independents shown for 1929. The column headed "Comparable" is computed on that assumption. Revised figures not available by size of cities.

More than the net increase in number of stores is concentrated in eight kinds of business. Also worthy of consideration are six kinds of business in which there has been a decline in number of stores since 1929. These are summarized in the following table.

**Changes in specific kinds of business.**—Some observations on the kinds of business which have registered the greatest changes since 1929, and the trends in retail distribution which they reflect, are contained in the paragraphs which follow. (See also table 1A herein.)

**Supermarkets.**—Combination stores (groceries-meats) accounted for 36 percent of the total food store business in 1929 and 54 percent in 1939. This great increase in combination stores, and a reciprocal though

KIND OF BUSINESS	NUMBER OF STORES			Sales change 1939 vs. 1929 (percent)
	1939	1929	Change	
Total, all kinds of business.....	1,770,355	1,476,365	+293,990	-13
<b>Major increases in stores:</b>				
Combination stores (groceries-meats).....	187,034	115,549	+71,485	+41
Filling stations.....	241,858	121,513	+120,345	+58
Eating places.....	169,792	134,293	+35,499	No change
Drinking places.....	135,594	-----	+135,594	No compar.
Liquor stores (packaged goods).....	19,136	-----	+19,136	No compar.
Fuel, ice, fuel-oil dealers.....	41,172	19,118	+22,054	No change
Florists.....	16,055	9,328	+6,727	-16
Women's ready-to-wear shops.....	25,820	18,253	+7,567	-7
<b>Major decreases in stores:</b>				
General stores (with food).....	39,688	104,089	-64,401	-68
Furniture stores.....	19,902	25,153	-5,251	-36
Accessory, tire, battery dealers.....	18,525	22,313	-3,788	-13
Feed, farm, and garden supply stores.....	21,087	27,134	-5,447	-30
Jewelry stores.....	14,559	19,998	-5,439	-33
Cigar stores, cigar stands.....	18,504	33,248	-14,744	-40

only partly related decline in country general stores (selling general merchandise and food with about equal emphasis) reflect one of the outstanding developments in food retailing in the decade between 1929 and 1939—the growth of the supermarket.

Although no precise definition is yet recognized by the trade, it is generally accepted that a supermarket is a large cash-carry combination food store (\$100,000 per year of sales is the usual minimum) with its merchandise arranged in open displays permitting individual selection without the assistance of salespeople, whereby operating expense is kept to a minimum by restricting sales service, delivery, and other customer services including credit. If services are available, a charge usually is made for them in addition to the selling price of the merchandise. A special report on supermarkets is included in this volume.

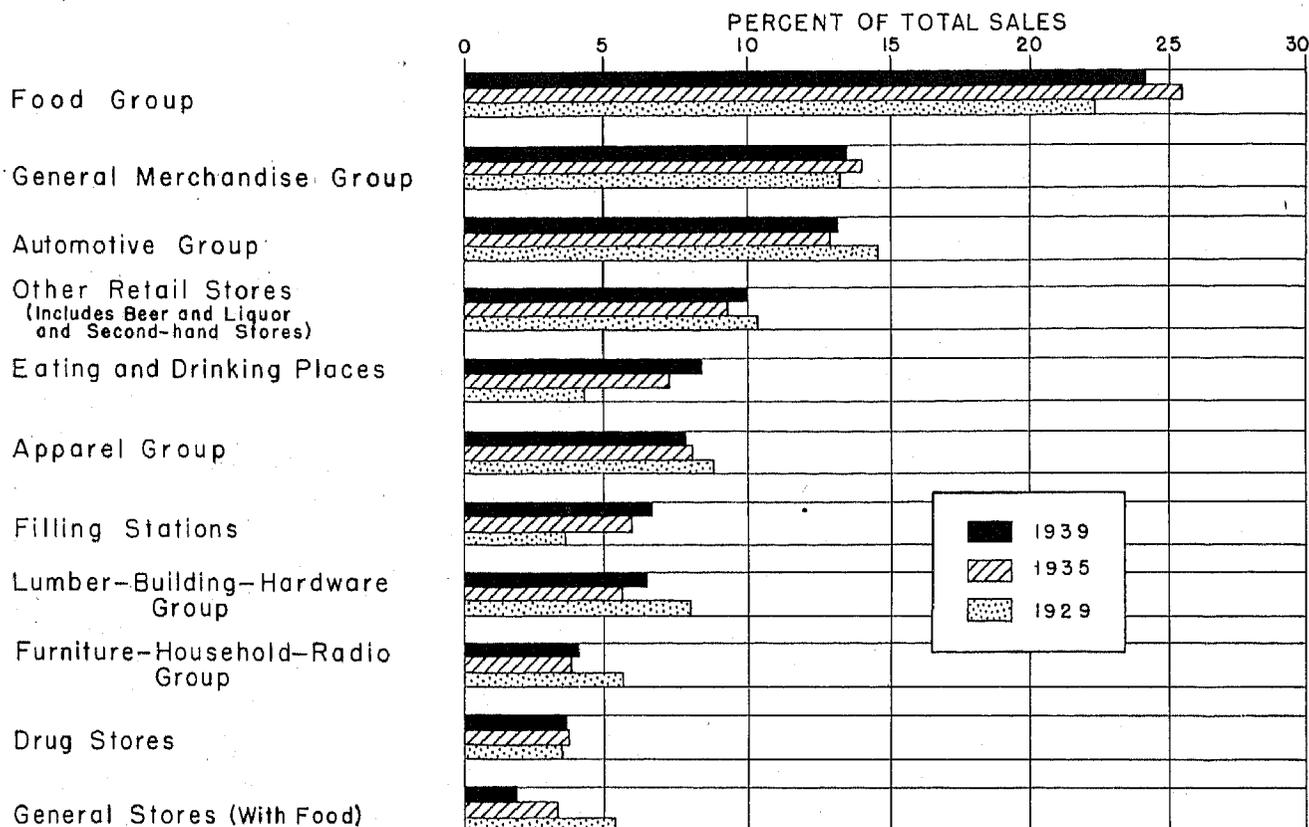
Supermarkets have displaced many grocery stores and the latter have displaced many country general stores, either by putting them out of business through the force of competition or providing the pattern by which they have been reconstituted. During the decade the transition has been gradual but persistent. While combination stores increased 62 percent in number and 41 percent in sales, grocery stores increased but slightly in number (from 191,876 to 200,303) and sales declined 35 percent.

The substantial increase in the number of combination food stores (62 percent in 10 years) is the result of many forces, notably the following:

- (1) The addition of fresh meats in many former grocery stores.
- (2) The effect of widespread automotive use and modern roads.
- (3) The trend toward specialization in country general stores. Expansion of variety chains, general merchandise chains, and food chains into smaller communities has introduced keener competition which has forced general stores (general merchandise and food in substantially equal proportions) to concentrate on one field or the other, usually becoming small combination food stores or small variety or general merchandise stores.

## CENSUS OF BUSINESS

CHART 2. COMPARISON OF RETAIL SALES BY MAJOR BUSINESS GROUPS:  
1939, 1935, AND 1929



(4) The consolidation of many relatively small grocery and combination stores into a smaller number of larger stores, especially by chains. The increase in importance of combination stores may be measured by these chains' proportion of combination stores' sales, which increased from 32.2 percent to 38.4 percent.

**General stores (with food).**—General stores declined in number from 104,089 in 1929 to 85,839 in 1933 to 66,701 in 1935 and to 39,688 in 1939, while their sales declined 68 percent in the 10 years.

Though no complete matching of schedules was undertaken, it is established from spot comparisons that a major portion of the stores which disappeared from the "general store (with food)" classification had not gone out of business but were classified elsewhere because of a basic change in the nature of the business. The kinds of business to which most such stores were transferred are grocery, general merchandise, and filling stations. The trend toward greater specialization, resulting from the incidence of keener competition, has caused many former country general stores to shift their sales emphasis, either to general merchandise or to food. The change results in a corresponding change in the census classification.

**Filling stations.**—A basic change since 1929 in the automobile supply field is reflected by an increase of

nearly 100 percent in the number of filling stations with a 58 percent increase in sales, and a decline in the number and sales of auto accessory and tire stores. Though the 1929 coverage may not have been complete, much of the increase in filling stations resulted from competition between large oil companies to establish as many single-brand independent outlets as possible, and to retire from the retail field except for a relatively few owned prestige stations in choice locations.

Filling stations increased from 121,513 in 1929 to 241,858 in 1939. Some 864 chains operated 30,038 of these stations in 1929 and did \$629,024,296 or 35.2 percent of the total filling station business. In the intervening 10 years, the number of chain stations dropped to 10,291 and sales to \$288,370,000 or 10.2 percent of the total sales of all filling stations.

Stations operated by cooperatives (farmer cooperatives and consumer cooperatives) are a development of increasing importance in this field. Sales of 1,017 such stations totaled \$35,304,000 in 1939, or 1.3 percent of total filling station business. The corresponding ratio in 1929 was 0.2 and in 1935 was 0.5 percent.

The great majority (95 percent) of all stations, however, are independents. As set forth in the text of the 1929 report of the Retail Census;<sup>4</sup> a large proportion of

<sup>4</sup> 1929 Distribution Volume 7, Retail Distribution Part 1, page 28.

the stations rated as independents are in fact agency stations of the larger oil companies, confining their sales to the products of some one company. Sometimes the oil company owns the station and leases it on a gallonage basis to the independent operator. Sometimes the land is owned by the operator, the oil company builds the station, and the operator pays for it on a gallonage basis. Or the station is owned entirely by the operator, who contracts to handle one company's product exclusively. . . . In all these cases the operator falls within the classification of an independent.

**Accessory, tire, battery dealers.**—As the automobile improved mechanically and more accessories were built in, the number and sales of automobile accessory stores declined. Meanwhile the increased number of cars in use produced a wide market for tires and batteries. At first the tire business took the form of independent dealerships in which the importance of service was stressed, and only incidentally were tires sold over the counter in auto supply stores and department stores. Later several manufacturers developed private brands which were sold through mail-order and auto supply chains in direct competition with the manufacturer's own franchise dealers. Other unsound trade practices and price inequalities eventually discouraged tire distributors and many independent dealers went out of business, while several rubber companies established chains of owned retail outlets, classified by the Census as manufacturer-controlled chains.

By 1929 there were 128 accessory, tire, and battery chains with 2,049 units and sales of \$122,032,000 (about 20 percent of the total). By 1939 the number of chain units had doubled and their sales had increased to \$235,961,000 or 45 percent of total sales of all accessory, tire, and battery dealers, while the number of independent dealers decreased 5,756 or 28 percent and sales decreased 40 percent. A summary follows.

ACCESSORY, TIRE, AND BATTERY DEALERS

YEAR	TOTAL		INDEPENDENTS		CHAINS	
	Number	Sales	Number	Sales	Units	Sales
1939.....	18,525	\$523,685,000	14,508	\$287,724,000	4,017	\$235,961,000
1929.....	22,313	690,205,000	20,264	477,263,000	2,049	122,032,000
Percent change..	-17	-13	-28	-40	+96	+93

The chain units referred to above include 2,401 units of tire chains in 1939 and 1,137 units of tire chains in 1929. A comparison of the business of tire chains for the 2 years follows.

The high mortality among independent dealers resulted from the attempt to compete with chain units of the very manufacturers who were supplying them with their merchandise. Since the start of the war, trade conditions and practices have been completely upset, but the record persists as a graphic example of the results which follow when a manufacturer retails his product directly in competition with dealers of his

AUTOMOBILE TIRE CHAINS

	1939	1929
Number of chains.....	20	67
Number of retail units.....	2,401	1,137
Total sales.....	\$136,232,000	\$58,381,000
Credit sales.....	\$108,441,000	\$8,283,000
Number of employees.....	15,106	6,993
Total pay roll.....	\$20,409,000	\$8,723,000
Pay roll cost per \$100 of sales.....	\$14.98	\$14.94
Stocks on hand at cost, end of year.....	\$11,322,000	(1)
Accounts receivable, end of year.....	\$23,061,000	(1)

<sup>1</sup> Not available.

brand, or markets similar brands at widely different price levels through competing retail channels. In this case the competing channels are independent dealers, manufacturers' chains of own retail stores, and mail-order and auto supply chains selling private brands made to specifications similar to the manufacturers' own brands but at lower prices.

**Drinking places, liquor stores (packaged goods).**—Repeal of prohibition against alcoholic beverages has added 135,594 drinking places and 19,136 liquor stores selling packaged goods; meanwhile the number of eating places has increased in 10 years by 35,499 or 26.4 percent. In comparison with sales in eating places in 1929 of \$2,124,890,000, the combined sales of eating and drinking places and liquor stores in 1939 were \$4,106,403,000, an increase of nearly 2 billion dollars, or 93 percent. On the other hand, there has been a sharp drop in the business of cigar stores, with 14,744 (44 percent) less such stores and stands than in 1929 and 49 percent less sales. The cigarette business appears to have gone to drug stores, grocery stores, and eating and drinking places.

**Other specialized businesses.**—*Women's ready-to-wear stores* increased in number and relative sales importance in the decade since 1929, though the general price level declined about 30 percent. The Census for 1939 shows 25,820 women's ready-to-wear stores with sales of \$1,009,494,000; compared with 18,253 such stores in 1929 with sales of \$1,087,601,000. Sales in 1939 were only 7 percent below the 1929 peak. The 41 percent increase in stores was the only increase in any kind of business in the apparel group.

*Furniture stores* lost 32 percent in number between 1929 and 1935, declining from 25,153 to 17,043 as a direct result of the depression. Between 1935 and 1939 there was an increase of 2,859 stores, resulting in a net loss during the decade of 5,251 or 21 percent. Sales declined 54 percent between 1929 and 1935 and recovered in 1939 to 64 percent of the 1929 level. The 10-year net loss of 36 percent in sales was greater than the decline in the general price level of commodities sold in furniture stores (furniture, floor coverings, household appliances, etc.), according to such retail price information as is available, and it is to be noted that furniture sales have increased in department stores and mail-order houses.

*Jewelry stores* followed somewhat the same pattern as furniture stores. In number they fell from 19,998

in 1929 to 12,447 in 1935, but increased to 14,559 in 1939 for a net loss of 27 percent. Jewelry store sales in 1929 of \$536,281,000 (1.1 percent of total retail sales) declined 56 percent to \$234,893,000 in 1935 and recovered to \$361,595,000—a net decline in 10 years of 33 percent. There is no representative index of jewelry prices, so it is impossible to state how much of the loss in dollar sales represents a decline in the price level.

*Hay, grain and feed stores* declined 22 percent in number and 37 percent in sales between 1929 and 1939 due partly to the general depression in agriculture and partly to the increased use of motor vehicles and tractors on the farm. On the other hand the sales of farm and garden supply stores increased, and in 1939 were 21 percent higher than in 1929. They operate primarily in cities and sell principally to household consumers.

*Fuel-oil retailers* who supply and service domestic heating plants constitute another kind of business which has developed largely in the decade following 1929. Statistical data on the subject are incomplete because fuel-oil dealers were combined in 1929 Census tables with ice and coal dealers. The two kinds of business are closely related, fuel-oil distribution being often an outgrowth of the older fuel and ice business.

**Changes in consumer preference in a decade.**—Comparison of the relative sales importance of leading kinds of business before and after the decade from 1929 to 1939 provides a good over-all index of changes in consumer preference, both as to merchandise and as to the kinds of stores in which consumers prefer to buy.

This preference as to stores applies to (1) kinds of business, such as variety stores and food stores versus general stores (general merchandise and food); (2) types of operation, such as chain stores versus independents; (3) customer services such as credit and delivery versus cash-carry; (4) size of store, such as large versus small stores; and (5) size of city, such as stores in larger cities versus smaller home-town stores. It is proposed to point out the census data which throw light on significant changes in these pre-war preferences, for its value in planning the return to a normal economy after the war.

**Changes by kinds of business (tables 1A and 2A).**—Outstanding is the fact that there has been practically no change in the relative proportion of the consumer dollar spent in food stores, general merchandise and drug stores and women's ready-to-wear stores, but relative expenditures in eating and drinking places and filling stations have doubled. The principal losers are furniture, household appliance, lumber, and hardware dealers. Automobiles, men's wear and jewelry consume less of the consumer dollar because of substantially lower price levels in these lines of merchandise since 1929 and reduced physical volume in some lines.

An interesting sidelight on the rapid changes which often occur in buying habits is a reduction by nearly one-half in the number and sales of cigar stores and stands, during a decade in which consumption of tobacco products has increased. The business has shifted largely to food stores, drug stores, and restaurants, and many of the remaining cigar stores have added fountain-lunches, packaged liquors, sporting goods, and men's furnishings in the effort to replace lost sales of tobacco products.

During the same period when this once highly specialized cigar store business was losing public favor, an equally radical transition was taking place in country general stores, caused more by the force of trade competition than by any direct change in consumer preference. The old country general store, selling general merchandise and foods, was the antithesis of specialization. But the expansion of food chains, variety chains, and general merchandise chains into smaller and smaller communities introduced new forms of competition which in many cases became models rather than conquerors of country general stores, causing them to drop one or the other of their hybrid lines and specialize on foods or general merchandise.

A study of the census returns shows that many of the stores which disappeared from the "general stores (with food)" classification between 1935 and 1939 appear in the census for 1939 as food stores or variety stores or general merchandise stores (without foods). Statistically they appear as casualties in one classification and new stores in another. This trend from a general into a more specialized classification is not marked in other retail trades; instead the opposite trend is evident in the growth of such kinds of business as combination food stores, department stores, variety stores, and the recently developed hard-goods stores, in comparison with the retrogression of meat markets, shoe stores, cigar stores, household appliance, radio dealers, and auto supply stores.

The following summary comparison provides a measure of the changes which occurred between 1929 and 1939 in the place of expenditure of that part of the consumer dollar which is spent in retail stores. The 1935 column shows some of the interim results of restricted expenditures during the economic depression, which continued beyond 1935.

It needs to be emphasized that sales by kind-of-business classifications are only roughly indicative of sales by commodities. Primary commodities of one kind of store may be sold as secondary commodities in other kinds of stores. Food store sales are not all food sales; conversely food is sold also in other than food stores, such as general stores, department stores, feed stores, and some others. Only about one-half of drug store sales is of commodities peculiar to drug stores which are not widely sold in other kinds of stores.

SALES AND SALES RATIOS, MAJOR BUSINESS GROUPS, AND PRINCIPAL KINDS OF BUSINESS

KIND OF BUSINESS	SALES, 1939		SALES, 1935		SALES, 1929	
	Amount (add 000)	Per cent	Amount (add 000)	Per cent	Amount (add 000)	Per cent
<b>Total, all stores</b> .....	<b>\$42,041,790</b>	<b>100.0</b>	<b>\$32,791,212</b>	<b>100.0</b>	<b>\$48,329,652</b>	<b>100.0</b>
Food group.....	10,164,967	24.2	8,362,425	25.5	10,837,421	22.4
Combination stores (groceries-meats)	5,496,318	13.1	4,149,813	12.7	3,903,662	8.1
General stores (with food)	810,342	1.9	1,110,403	3.4	2,570,744	5.3
General merchandise group	5,665,007	13.5	4,619,751	14.1	6,444,101	13.3
Department stores	3,974,998	9.5	3,311,070	10.1	4,350,098	9.0
Variety stores	976,801	2.3	780,819	2.4	904,147	1.9
Apparel group.....	3,258,772	7.8	2,656,242	8.1	4,240,893	8.8
Men's-boys' clothing stores (and furnishings)	773,312	1.8	659,617	2.0	1,192,723	2.5
Women's ready-to-wear stores	1,009,494	2.4	794,992	2.4	1,087,601	2.3
Shoe stores (all kinds)	617,064	1.5	511,399	1.6	805,829	1.7
Furniture—household—radio group.....	1,733,257	4.1	1,289,896	3.9	2,754,721	5.7
Automotive group.....	5,548,687	13.2	4,236,586	12.9	7,043,386	14.6
Motor-vehicle dealers	5,004,035	11.9	3,847,642	11.7	6,407,512	13.3
Accessory, tire, battery dealers	523,685	1.2	373,910	1.1	599,295	1.2
Filling stations.....	2,822,495	6.7	1,967,714	6.0	1,787,423	3.7
Lumber—building group.....	1,761,205	4.2	1,105,296	3.4	2,621,064	5.4
Hardware group.....	973,709	2.3	758,979	2.3	1,224,560	2.5
Eating places.....	2,135,020	5.1	1,666,899	5.1	2,124,890	4.4
Drinking places.....	1,385,032	3.3	723,961	2.2	.....	.....
Drug stores.....	1,562,502	3.7	1,232,593	3.8	1,690,399	3.5
Liquor stores (packaged goods)	586,351	1.4	328,307	1.0	.....	.....
Other retail stores.....	3,496,437	8.3	2,618,820	8.0	4,841,882	10.1
Fuel, ice, fuel-oil dealers	1,013,542	2.4	859,018	2.6	1,013,369	2.1
Feed, farm, and garden supply stores	779,289	1.9	599,138	1.8	1,119,164	2.3
Jewelry stores	361,595	.9	234,893	.7	536,281	1.1
Cigar stores, cigar stands	207,781	.5	182,950	.6	410,064	.9
Florists	148,741	.4	98,718	.3	176,201	.4
Second-hand stores	138,007	.3	113,340	.3	148,068	.3

For further detail see table 1A, p. 57.

Despite this qualification it is evident from the above table that the public prefers to pay less of its retail dollar for motor vehicles and more for gasoline and oil to operate them; it is spending less for men's wear and jewelry and more for women's apparel, and buying more in department stores; that drug stores and food stores have captured much of the tobacco business formerly enjoyed by cigar stores; that less is being spent for furniture, radios, household goods, and building materials than in 1929, and more in restaurants, drinking places, and liquor stores. These conclusions are further supported by analyses of sales by commodities, presented in table 18 and described later herein.

**Changes in geographic distribution of sales (table 2B).**—In the decade following 1929 the most pronounced change in the geographic distribution of retail sales has been the growth of the South Atlantic States and California.

In every Atlantic Coast State from Delaware to Florida the sales ratio or proportion of total retail sales was greater in 1939 than in 1929, while in several States the volume was greater even in dollars during 1939 than during 1929. The latter is true of Delaware, Maryland, the District of Columbia, Virginia, South Carolina, and Florida. This is the more remarkable because the general price level as measured by the cost-of-living index was about 19 percent lower in 1939 than in 1929. In no other section of the country was dollar volume greater in 1939 except in the scattered States of New Hampshire, Louisiana, Idaho, New Mexico, Nevada, and California.

In ratio to total business, four geographic divisions improved their positions, four showed losses and one remained unchanged. They are:

DISTRIBUTION OF RETAIL TRADE GEOGRAPHICALLY, 1939 vs. 1929

DIVISIONS SHOWING INCREASE IN RATIO				DIVISIONS SHOWING DECREASE IN RATIO			
Division	Percent of total sales		Relative change	Division	Percent of total sales		Relative change
	1939	1929			1939	1929	
New England.....	7.9	7.7	+0.2	Middle Atlantic.....	24.5	25.9	-1.4
South Atlantic.....	10.4	8.6	+1.8	East North Central..	22.0	23.0	-1.0
Mountain.....	3.4	3.1	+3	West North Central..	9.8	10.7	-0.9
Pacific.....	10.2	9.0	+1.2	West South Central..	7.4	7.6	-0.2
UNCHANGED							
				East South Central..	4.4	4.4	.....

The changes by States form a pattern which indicates that highly industrialized States such as Massachusetts, New York, Illinois, and Michigan are losing in sales ratio to the South and the Pacific Coast, as well as to Idaho, Colorado, and New Mexico. A comparison of the sales and sales ratios in 20 States for 1939 and 1929 follows:

CHANGES IN DISTRIBUTION OF RETAIL SALES IN CERTAIN STATES

STATE	SALES (add 000)		PERCENT OF TOTAL	
	1939	1929	1939	1929
United States.....	\$42,041,790	\$48,329,652	100.0	100.0
Massachusetts.....	1,737,680	2,031,839	4.1	4.2
New York.....	5,575,159	6,968,931	13.3	14.4
Illinois.....	2,857,646	3,658,560	6.8	7.6
Michigan.....	1,820,798	2,202,405	4.3	4.6
Missouri.....	1,102,503	1,422,449	2.6	2.9
Kansas.....	473,551	730,228	1.1	1.5
Delaware.....	110,062	101,861	.3	.2
Maryland.....	619,273	610,967	1.5	1.3
District of Columbia	402,768	332,393	1.0	.7
Virginia.....	628,172	591,763	1.5	1.2
North Carolina.....	633,240	642,550	1.5	1.3
South Carolina.....	332,224	296,674	.8	.6
Georgia.....	624,765	627,171	1.5	1.3
Florida.....	614,464	493,886	1.5	1.0
Idaho.....	175,873	165,352	.4	.3
Colorado.....	409,103	457,413	1.0	.9
New Mexico.....	125,765	116,833	.3	.2
California.....	3,187,809	3,142,643	7.6	6.5
Oregon.....	442,160	443,303	1.1	.9
Washington.....	668,790	745,891	1.6	1.5

NOTE—Vol. I, part 3 (the area volume) contains detailed break-downs of stores and sales by kinds of business, for each State, county, city, incorporated place of more than 2,500 population, and remainder of counties. See also "Additional area data," p. 849. Appendix C.

**Sales trend toward small cities.**—Elsewhere herein (page 17) is an analysis of sales by size of cities which throws further light on what appears to be a modest but well-defined trend of retail business toward the smaller cities (5,000 to 30,000 population) with compensating decrease both in the larger cities and the small or rural communities. This appears to be a reversal of a trend toward larger cities which is said to have characterized the preceding decade, concerning which no Retail Census data were available. Detailed tables will be found to support the following summary comparison:

## CENSUS OF BUSINESS

## POPULATION, STORES, AND SALES IN LARGER VERSUS SMALLER COMMUNITIES

CITY SIZE (based on population)	POPULATION				NUMBER OF STORES				SALES (millions)			
	1940	Percent	1930	Percent	1939	Percent	1929	Percent	1939	Percent	1929	Percent
Total, United States.....	131,669,275	100.0	122,775,046	100.0	1,770,355	100.0	1,543,158	100.0	\$42,042	100.0	\$49,115	100.0
Cities over 30,000.....	50,982,378	38.7	47,550,538	38.8	759,103	42.9	683,751	44.3	24,023	57.1	28,486	58.0
Cities of 5,000 to 30,000.....	18,415,413	14.0	16,686,695	13.6	311,410	17.6	268,852	17.5	8,423	20.0	9,079	18.5
Cities of 2,500 to 5,000.....	5,025,911	3.8	4,717,590	3.8	108,070	6.1	99,258	6.4	2,341	5.6	2,839	5.8
Places under 2,500.....	57,245,573	43.5	53,820,223	43.8	591,772	33.4	491,297	31.8	7,255	17.3	8,711	17.7

One reason for the increase in retail sales in cities of 5,000 to 30,000 population may be the marked improvement which has taken place in merchandising and storekeeping in such cities throughout the country, especially by smaller independents confronted with the competition of new stores of well-managed chains, in modern store premises.

During the decade many national and sectional chains have grown greatly, by horizontal rather than vertical expansion. There is no evidence of any superior merchandising ability which gave their older stores a greater sales increase than that of independents, but there was steady expansion of the chains geographically into the smaller cities. New chain stores in a small city usually have required the construction of new premises. Because they were new, the premises often were more attractive physically and better equipped than were existing independent stores. Almost always the new stores opened in this decade were managed at the start by experienced managers trained in alert merchandising methods, who were better merchants than their independent competitors and better than the size of the stores justified.

To meet such competition, independents were forced not only to modernize their premises but also to adopt better merchandising technique—selection, pricing, display, advertising, and selling. Cities long devoid of modern shopping districts thus became alert, attractive trading centers and the local public seems to have found them as satisfactory as the larger cities which for a time had drawn trade away from the smaller towns. Much of the transition, which is restoring the former balance and offsetting the earlier effect of automobiles and good roads, occurred during the decade under review and is measurable in the comparison of sales by size of cities.

**Changes by types of operation (tables 3A, 3B, and 3C).**—A second principal change in consumer preference, referred to earlier herein, concerns the type of operation of the kinds of stores which show sales increases. The major types are independents, chain stores, mail-order (catalog) houses, direct or house-to-house distributors, and cooperatives.

In the decade under review, chains increased their proportion of the total retail business from 20.3 percent in 1929 to 21.7 percent in 1939, after having reached a 25-percent ratio in 1933. Independents accounted for 77.6 percent of the total business in 1929 and 74.7 per-

cent in 1939. The remainder is represented by increases in the relative position of mail-order houses, cooperative stores, house-to-house selling, utility-operated stores in which gas and electric companies promote the sale of power-consuming household appliances, and State liquor stores operated directly by several States and municipalities.

Below is a summary comparison of stores and sales for the 2 years, showing also (by inclusion of 1933 and 1935 sales ratios) the effect of the depression in the temporary increase in popularity of chain stores and house-to-house selling:

SUMMARY COMPARISON OF STORES AND SALES BY TYPES OF OPERATION

TYPE	NUMBER OF STORES		SALES (ADD 000)		PERCENT OF TOTAL SALES			
	1939	1929	1939	1929	1939	1935	1933	1929
<b>Total, all types.....</b>	<b>1,770,355</b>	<b>1,543,158</b>	<b>\$42,041,790</b>	<b>\$49,114,653</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Independents.....	1,624,665	1,380,607	31,409,859	38,124,439	74.7	73.3	71.2	77.6
Chains.....	123,195	151,712	9,105,825	9,964,547	21.7	23.3	25.2	20.3
Utility-operated stores.....	4,836	4,053	151,539	163,371	.4	.4	.3	.3
Direct-selling (house-to-house).....	5,199	1,661	153,397	93,961	.4	.4	.7	.2
Mail-order (catalog) houses.....	484	271	537,413	515,237	1.3	1.3	1.0	1.0
Commissaries or company stores.....	2,007	1,347	148,248	115,583	.3	.3	.4	.3
Farmer and consumer cooperatives.....	3,698	1,709	224,375	116,995	.5	.3	.....	.2
State liquor stores.....	2,618	.....	249,430	.....	.6	.5	.....	.....
Other types of operation.....	3,703	1,798	61,704	20,520	.1	.2	1.2	.1

**Effect of chain tax restrictions.**—During the decade many States enacted restrictive tax legislation designed to force large multiunit operators to curtail the number of their stores. One result normally to be expected should have been a sharp reduction in the number of chain units; another indicator would be an increase in the sales size of the average remaining units, since the number of units rather than sales volume was the criterion for taxation in such legislation.

The total number of chain units decreased steadily during the 10-year period since 1929. Average sales per store increased. But analysis by kinds of business shows that two kinds of chains alone account for more than the entire over-all change, and both kinds of business were affected by forces which had little to do with tax restrictions.

Excluding these two, which are filling stations and grocery or combination stores, the remaining totals show no indication that the tax restrictions reduced

the growth of other chains, in units or in sales volume. On the contrary, the number of such chain units increased 2.9 percent, sales decreased 8.3 percent compared with the over-all sales decrease of 13 percent for retail trade as a whole, and the size of the average chain unit decreased \$10,100 or 10.9 percent. A summary follows:

SUMMARY COMPARISON OF CHAINS IN PRINCIPAL KINDS OF BUSINESS

(Tables 3A and 3C)

KIND OF CHAIN	NUMBER OF CHAIN UNITS		SALES (ADD 000)		AVERAGE SALES PER STORE	
	1939	1929	1939	1929	1939	1929
<b>Total, all chains</b> .....	123, 195	151, 712	\$9, 105, 825	\$9, 964, 547	\$73, 914	\$65, 681
Filling stations.....	10, 291	28, 617	288, 370	605, 204	28, 022	21, 148
Grocery stores (without fresh meats).....	20, 093	35, 369	720, 427	1, 576, 252	35, 855	44, 566
Combination stores (groceries-meats).....	20, 257	17, 249	2, 112, 092	1, 257, 727	104, 265	72, 916
All other chains.....	72, 554	70, 477	5, 984, 936	6, 525, 364	82, 489	92, 589
All other chains, ratio to 1929.....	Percent 102.9	Percent 100.0	Percent 91.7	Percent 100.0	Percent 89.1	Percent 100.0

Grocery and combination chains account for 33 percent and with filling stations account for 41 percent of all chain units, and thereby tend to dominate conclusions based on totals only. The size of the average chain combination store increased 43 percent, and the size of the average chain filling station increased 33 percent. However, the average chain grocery store decreased nearly 20 percent in size and chain variety stores decreased 12 percent. Department stores, another important chain classification, increased the size of the average unit 22 percent, but this kind of chain was little affected by restrictive tax legislation because of the small number of stores in any one State.

*Filling station chains.*—Filling station chains appear to have been affected most by restrictive taxation, but other evidence indicates that the tax-induced movement to transfer ownership of all but compact groups and prominently-located units, to managers or other individual operators, revealed an economic advantage of independent ownership not previously realized. It was found that the individuals as owners were able or willing to operate on less margin in dollars than they had received previously in wages as salaried managers, and soon supplemented this with additional revenue from repair, service, and accessories sales. It is impossible to measure how much this phenomenon influenced the large oil companies to contract their own retail operations in favor of single-brand independent stations; and not all of the 10,291 chain stations in 1939 were operated by oil refining companies, since many are small local chains. However, filling stations other than chains increased in number from 92,896 in 1929 to 231,567 in 1939 or 149 percent, while chain units decreased from 28,617 to 10,291 or 64 percent.

*Combination store chains.*—Equally remote but at least distantly related to State tax restrictions on

chains were the developments of the last decade in the so-called food chain field, partly shown statistically in the preceding text table. Chain grocery stores decreased more than 15,000 in number and chain combination stores increased about 3,000 in the 10 years since 1929, while their combined sales remained substantially unchanged.

Two forces were at work simultaneously, one a transition by many chains from the strictly grocery field (stores without meat departments) to the combination store field (grocery stores with meats), and the other the growth in popularity of supermarkets. The latter appear in the census as combination stores, and are described at length later herein (pages 817 to 836). Whether the attempt to meet tax restrictions by replacing many small stores with fewer large units developed the supermarket, or whether this new kind of food store was a parallel development which happened to coincide with the other cannot be determined statistically, but the fact is that many large chains adopted the characteristics of the supermarket (large units, self-service, cash-carry, departmentization, and aggressive promotion) during this decade and now greatly outnumber independent supermarket operators. This is the principal cause of the 43 percent increase in average size of chain combination stores, though tax restrictions may have influenced to some extent the widespread adoption by large food chains of the supermarket type of large store to reduce the number of store units.

*Growth of other types of operation.*—*Direct selling (house-to-house).*—The house-to-house type of retail selling doubled in relative importance in the decade since 1929, meanwhile having reached a peak of even greater sales importance during 1933. It constituted 0.2 percent of total retail sales in 1929, 0.7 percent in 1933, 0.4 percent in 1935, and 0.4 percent in 1939.

It has been characterized as a "hard times business," but in fact is composed in part of a solid foundation of regular business conducted year after year by well-established national distributors of such commodities as sewing machines, vacuum cleaners, hosiery, cosmetics, and remedies, and a fluctuating superstructure of spasmodic house-to-house selling of almost anything which happens to be available in excess at distress prices. It is the latter type of business which accounted for a large part of the increase to 0.7 percent in 1933 and a part of the 0.4 percent in 1935, whereas the 0.4 percent in 1939 represents substantial increases in the business of regular distributors and the introduction into the field of new national distribution of household appliances, floor coverings, silverware, and similar commodities of relatively large unit sales which can be limited in variety or selection.

*Mail-order (catalog) houses.*—Mail-order sales from catalog rather than from store stocks grew moderately during the decade, having increased from 1.0 percent

of total sales in 1929 and 1933 to 1.3 percent in 1935 and 1939. There has been a steady increase in the number of catalog houses, from 271 in 1929 to 311 in 1933, to 378 in 1935, to 434 in 1939.

Mail-order chains operated only 25 of the 271 houses in 1929, but these 25 houses accounted for 77 percent of total catalog sales. Chain units in 1939 numbered 42 and accounted for \$402,273,000 or 75 percent of the total sales of mail-order houses during that year. Despite their growth it is apparent that independent mail-order houses grew even more. The mail-order classification does not include the chains of department stores operated by certain large mail-order companies, which in the census are classified as national chains.

The following summary comparison indicates the growth in number of houses and the fluctuations in sales, employment, and pay roll in the decade from 1929 to 1939:

#### MAIL-ORDER HOUSES, SALES, EMPLOYMENT, AND PAY ROLL

[1939 compared with 1935, 1933, and 1929]

	1939	1935	1933	1929
Number of mail-order houses.....	434	378	311	271
Catalog sales (add 000).....	\$537,413	\$420,027	\$244,381	\$515,237
Percent to total retail sales.....	1.3	1.3	1.0	1.0
Number of employees.....	50,955	40,969	( <sup>1</sup> )	43,321
Total pay roll (add 000).....	\$58,487	\$39,888	\$24,786	\$45,408
Pay roll percent to sales.....	10.9	9.5	10.1	8.8
Number of proprietors.....	257	195	199	190
Percent change:				
Number of houses.....	+14.8	+21.5	+14.8	+60.1
Catalog sales.....	+27.9	+71.9	-52.6	+4.3

<sup>1</sup> Data not available.

Since mail-order is a type of operation and not a kind of business, it is necessary to classify each house in some one kind-of-business classification most nearly descriptive of the principal business or the commodities sold. A break-down by kinds of business is shown below. Thus a catalog house classed as "department store" is one which sells a general line of merchandise somewhat similar to that sold by department stores, with the variety required to meet the definition of a department store as given elsewhere herein (page 839). If the merchandise is limited to that sold in a dry goods store, the mail-order house is classified below as "dry goods." The four houses classed as "family clothing" sell men's and women's apparel, whereas houses selling only men's clothing and furnishings or only women's apparel and accessories are classified under their appropriate kinds of business. The same principle is followed throughout the list, so that all houses fall under the business classification most nearly descriptive of the variety of merchandise sold.

The following table illustrates the nature and wide variety of merchandise sold by mail, and the relative importance of the four principal kinds of business which account for 94 percent of total sales but only 21 percent of the number of houses:

#### MAIL-ORDER BUSINESS, 1939 AND 1935

[By nearest appropriate kind-of-business designation]

KIND OF BUSINESS	NUMBER OF HOUSES				CATALOG SALES (Add 000)			
	1939	Per cent	1935	Per cent	1939	Per cent	1935	Per cent
<b>Total, all houses.....</b>	<b>434</b>	<b>100.0</b>	<b>378</b>	<b>100.0</b>	<b>\$537,413</b>	<b>100.0</b>	<b>\$420,027</b>	<b>100.0</b>
Department store merchandise.....	24	5.5	33	8.7	464,289	86.4	386,000	91.9
Dry goods (soft lines).....	17	3.9	( <sup>1</sup> )	( <sup>1</sup> )	14,657	2.7	( <sup>1</sup> )	( <sup>1</sup> )
Women's apparel, accessories.....	12	2.8	6	1.6	18,646	3.5	6,346	1.5
Farm and garden supplies.....	36	8.3	16	4.2	8,251	1.5	4,203	1.0
Shoes.....	8	1.8	7	1.8	3,649	.7	1,500	.4
Men's clothing, furnishings.....	15	3.5	16	4.2	2,336	.4	3,047	.7
Radios.....	11	2.5	7	1.8	1,625	.3	628	.1
Jewelry, silverware.....	11	2.5	4	1.1	1,063	.3	331	.1
Drugs, remedies.....	13	3.0	19	5.0	380	.1	450	.1
Hardware, farm implements.....	11	2.5	4	1.1	798	.1	427	.1
Family clothing.....	4	.9	4	1.1	236	.1	209	.1
Other kinds of business.....	272	62.8	262	69.4	20,883	3.9	16,686	4.0
Books.....	46	10.6			6,503	1.2		
Cigars, etc.....	15	3.5			857	.2		
Novelties, souvenirs.....	12	2.8	( <sup>2</sup> )	( <sup>2</sup> )	743	.1	( <sup>2</sup> )	( <sup>2</sup> )
Sporting goods.....	8	1.8			990	.2		
Other.....	191	44.1			11,790	2.2		

<sup>1</sup> Included with department stores.  
<sup>2</sup> Not available.

*Farmer and consumer cooperatives.*—Farmer cooperatives are primarily marketing associations operated to sell the products of their members, and as such are a part of the Wholesale census. Some farmers' cooperatives, however, operate retail stores to purchase and distribute supplies and general merchandise required by their members, and they usually sell also to non-members. Such retail operations of farmers' cooperatives are included in the Retail census. Since the stores are not substantially different from those of consumer cooperatives, they are grouped in census reports with the latter.

These 3,698 cooperatively operated retail stores reported sales in 1939 of \$224,375,000 or one-half of 1 percent (0.5) of total retail sales. The number is more than double the 1,709 cooperative stores reported in the 1929 Census, the sales volume of which totaled \$116,995,000. The interim census for 1935 showed 1,801 stores with sales of \$119,827,000.

Data are not available for 1929 to show the kinds of business in which the 1,709 cooperative stores of that year were engaged. Of those reported for 1935 and 1939, more than two-thirds are filling stations, feed stores, and farm and garden supply stores. A summary by these principal business classifications follows.

*State liquor stores.*—Of 19,136 liquor stores in the United States in 1939, 2,618 or 13.7 percent were so-called State liquor stores, which type included not only the package-liquor stores operated directly by 15 States but also a relatively few operated by counties and municipalities in 5 other States. Sales of these so-called State liquor stores in 1939 totaled \$249,430,000 or 42.5 percent of the total sales of all package-liquor stores. The remaining \$336,921,000 or 57.5 percent of the business was commercial, in the sense that it was conducted for profit by private entrepreneurs, in 16,518 stores. Such business was prohibited in 1929.

FARMER AND CONSUMER COOPERATIVE STORES

[By principal kinds of business, 1939 and 1935]

KIND OF BUSINESS	NUMBER OF STORES		SALES (add 000)		PERCENT OF TOTAL SALES IN SAME KIND OF BUSINESS	
	1939	1935	1939	1935	1939	1935
	<b>Total, all cooperatives.....</b>	<b>3,698</b>	<b>1,801</b>	<b>\$224,375</b>	<b>\$119,827</b>	<b>0.5</b>
Filling stations.....	1,017	204	35,304	10,187	1.3	.5
Hay, grain and feed stores.....	1,144	1,082	103,729	85,424	16.6	14.3
Farm and garden supply stores.....	331		25,583		16.5	
Other kinds of business.....	1,206	515	59,759	24,216		
General stores (with food).....	261		14,538		1.8	
Dairy products, milk dealers.....	108		14,239		1.9	
Combinations food stores.....	241		10,015		.2	
Grocery stores (no meats).....	219		4,255		.2	
Lumber, building-materials dealers.....	67	(1)	3,950	(1)	.3	(1)
Hardware, farm implement dealers.....	44		1,813		.2	
Restaurants, other eating places.....	55		1,555		.1	
Fuel, ice, fuel-oil dealers.....	36		861		.1	
Others not classified.....	175		8,533			

<sup>1</sup> Not available.

Stores and sales of this type—State liquor stores—were distributed by States in 1939 and 1935 as follows:

STATE LIQUOR STORES SALES, 1939 AND 1935, BY STATES

STATE	NUMBER OF STORES		SALES (add 000)		PERCENT OF TOTAL STATE LIQUOR STORE SALES, 1939
	1939	1935	1939	1935	
<b>Total, United States.....</b>	<b>2,618</b>	<b>2,080</b>	<b>\$249,430</b>	<b>\$163,381</b>	<b>100.0</b>
Alabama.....	57		9,063		3.6
Idaho.....	122	110	3,622	2,255	1.5
Iowa.....	173	120	11,454	6,314	4.6
Maine.....	39	25	5,396	3,316	2.2
Maryland (counties).....	14	4	1,038	149	.4
Michigan.....	98	101	21,121	15,277	8.5
Minnesota (municipal).....	153	54	3,685	1,289	1.5
Montana.....	171	168	5,549	4,680	2.2
New Hampshire.....	34	25	3,882	2,709	1.6
North Carolina (counties).....	84	47	5,710	1,452	2.3
North Dakota (municipal).....	21		207		.1
Ohio.....	313	288	44,970	31,386	18.0
Oregon.....	160	157	8,733	6,042	3.5
Pennsylvania.....	582	474	74,585	55,929	29.9
South Dakota (municipal).....	76	32	1,026	290	.4
Utah.....	95	100	3,959	1,823	1.6
Vermont.....	24	14	2,117	1,315	.8
Virginia.....	91	69	16,743	12,241	6.7
Washington.....	180	172	14,296	11,856	5.7
West Virginia.....	131	120	12,274	5,058	4.9

*Utility-operated stores.*—Retail stores operated by gas and electric utility companies, to sell household appliances whose use increases the power load of the companies, increased nearly 20 percent in number in the decade. Sales were lower in dollars in 1939 than in 1929, but higher in the physical volume of appliances sold because of a drop of nearly one-third in the retail price of comparable products. A summary comparison follows.

*Commissaries or company stores.*—Commissaries operated by manufacturing, mining, transportation, and other companies, for the primary purpose of supplying their own employees with merchandise at retail, increased in number and sales in the decade following 1929 despite restrictive legislation in several States designed to discourage, or at least correct the alleged evils

UTILITY-OPERATED STORES, 1939, 1935, AND 1929

Year:	Number of stores	Sales (add 000)	Percent of total retail sales
1935.....	3,936	123,242	.4
1929.....	4,053	163,371	.3
<b>Percent of same kind of business</b>			
<b>By kinds of business, 1939:</b>			
Household appliances.....	4,449	138,635	47.1
Radio—household appliance dealers.....	123	7,436	3.9
Heating, electrical dealers.....	82	1,517	1.2
Fuel, ice, fuel-oil dealers.....	43	1,064	.1
Not classified.....	139	2,887	

of, this type of store. Though the use of scrip and the practical monopoly which company stores formerly enjoyed have been largely ended since 1929, such stores increased from 1,347 in 1929 to 1,888 in 1935 and to 2,007 in 1939. The latter is 49 percent greater than the number operated in 1929. Sales increased 28.3 percent in the 10-year period.

The principal kinds of business conducted by commissary or company stores are shown in the following summary:

KINDS OF BUSINESS OPERATED BY COMMISSARY OR COMPANY STORES

KIND OF BUSINESS	NUMBER OF STORES		SALES (ADD 000)	
	1939	1935	1939	1935
<b>Total, all company stores.....</b>	<b>2,007</b>	<b>1,888</b>	<b>\$148,248</b>	<b>\$113,126</b>
Grocery stores (without fresh meats).....	307	349	4,597	2,982
Combination stores (groceries—meats).....	166	94	6,557	3,355
General stores (with food).....	981		90,041	
General merchandise stores.....	288		36,802	
Filling stations.....	72	(1)	2,715	(1)
Eating places.....	88		2,810	
Other kinds of business.....	125		4,726	

<sup>1</sup> Not available.

*Leased department operations.*—Leased departments are separate enterprises conducted within a store of another kind, by operators who are not a part of the management of the main store. Typical examples are a millinery department in a department store or a meat department in a grocery store or a supermarket. Usually such leased departments are confined to some one kind of goods which, for one reason or another, are considered difficult to merchandise by the main store proprietor or merchandising organization.

Leased department operators are, as a rule, specialists in the merchandise or service which their departments sell. They may be individual operators confining their effort to one location, or multiunit operators, in which case if they operate in more than three locations they are classified as leased-department chains.

Both independent operations and chains increased greatly in number and sales, in the decade under review. Leased-department chains operated 3,675 units in 1929, 3,976 in 1935, and 5,568 in 1939. Sales increased 31 percent in 10 years, from \$129,702,000 in 1929 to \$170,-

368,000 in 1939. Independent operators numbered 7,661 in 1939 with sales of \$136,988,000, considerably more than twice the number and sales of 1935. For 1929 the census showed 596 independent operators with sales of only \$24,321,000. The apparent sales increase of 463 percent between 1929 and 1939 does not represent the true situation because of the difficulty encountered by the field organization of the Census Bureau in identifying and obtaining schedules from such operators at the time of the initial Business Census.

A summary of the available data follows:

LEASED DEPARTMENT OPERATIONS

TYPE OF OPERATION AND KIND OF BUSINESS	NUMBER OF LEASED DEPARTMENTS			SALES (ADD 000)		
	1939	1935	1929	1939	1935	1929
<b>Total, independents and chains.</b>	<b>13, 229</b>	<b>7, 679</b>	<b>4, 271</b>	<b>\$307, 356</b>	<b>\$162, 485</b>	<b>\$154, 023</b>
Independent operators.....	7, 661	3, 703	596	136, 988	49, 377	24, 321
Chains (more than 3 units).....	5, 568	3, 976	3, 675	170, 368	113, 108	129, 702
By kinds of business:						
Women's ready-to-wear depts.....	386	225		31, 705	13, 257	
Shoe departments.....	1, 522	892		52, 549	32, 269	
Radio—household appliance depts.....	301			6, 661		
Grocery departments.....	280			10, 726		
Meat departments.....	2, 742			53, 747		
Fruit and vegetable depts.....	1, 162			21, 662		
Eating places.....	1, 085			13, 491		
Cigar departments.....	159	(1)	(1)	1, 543	(1)	(1)
Optical goods departments.....	241			4, 309		
Women's accessories depts.....	520			6, 135		
Millinery departments.....	2, 077			45, 623		
Jewelry departments.....	189			2, 666		
Other kinds of business.....	2, 565			56, 539		

<sup>1</sup> Not available.

**Changes in development of customer services.**—It is difficult to measure statistically, from census data, the changes in customer services which have developed as a result of consumer preference in the decade under review. Outstanding indications of the changes are: (1) An increase since 1935 in the proportion of open-account and installment-credit sales, restoring the credit ratio which existed in 1929; (2) increased popularity of department stores, which generally provide the maximum of customer services; (3) growth of combination food stores and supermarkets at the expense of meat markets and grocery stores; (4) a substantial increase in the number and sales of eating and drinking places in cities and along the highways, the latter in conjunction with a similar increase in filling stations; and (5) a well-defined trend of retail business toward the smaller cities (5,000 to 30,000 population) with a corresponding decrease both in larger cities and in small or rural communities. The latter may indicate a reversal of the former trend toward larger cities; a discussion of the probable causes was the subject of an earlier section of this report (page 9).

**Retail credit.**—Credit business, roughly one-third of total retail sales, constituted 34.3 percent in 1929, fell to 29.5 percent in 1935 and returned to 34.2 percent of total sales in 1939. Two-thirds of credit business is conducted on open account and is primarily a service to customers. It is significant that 24.8 percent of

total sales in combination stores in 1939 were credit sales, despite the inclusion in this classification of cash-carry supermarkets, and that nearly 24 percent of all food sales were on credit. Furniture stores and household appliance dealers show the largest ratio of retail credit sales—78.5 percent and 78.0 percent respectively—while other kinds of stores which do more than one-half of their business on credit include dairy products, milk dealers; furriers; radio dealers; motor-vehicle dealers; accessory, tire, battery dealers; the entire lumber—building group; farm implement—hardware—tractor dealers; fuel, ice, fuel-oil dealers; jewelry stores; book stores; and office, school supply and equipment dealers.

**Installment sales.**—Installment credit averages 33.1 percent of total credit sales in 1939, compared with approximately 38 percent of total credit sales in 1929. The amount includes down-payment, if any, at time of purchase; that the practice of requiring down-payments is widespread is indicated by the fact that they averaged 27.4 percent of the total amount of installment sales in 1939. They include the trade-in value of used goods taken in trade as well as any cash payment at time of purchase. That the high ratio of 27.4 percent is influenced by trade-in allowances far more than by down-payments in cash is shown by the fact that the ratio of down-payments is only 8.1 percent in department stores and 8.8 percent in family clothing stores, for instance, where trade-ins are rare, in comparison with 38.1 percent for motor-vehicle dealers, 32.5 percent for boat, airplane, and motorcycle dealers ("other automotive"), and 33.3 percent for farm implement dealers, in all of which trade-ins constitute a common form of down-payment.

**Accounts receivable.**—Installment receivables in a representative group of 60,525 installment credit stores stood at \$1,184,010,000 at the end of 1939, equivalent to 43.4 percent of these stores' total 1939 installment sales of \$2,728,490,000. Open charge accounts receivable in 258,241 credit-granting stores, including the 60,525 installment credit stores, totaled \$1,790,649,000 at the end of 1939, equivalent to 22.5 percent of these stores' total 1939 open-account sales of \$7,965,264,000. The total number of stores reporting that they extended credit in 1939 was 786,755, and their total customer receivables (accounts and installment notes) at the end of 1939 amounted to \$3,277,686,000.

A further discussion of retail credit and receivables, and comparisons with previous years, may be found, beginning on page 38 of this volume.

**Popularity of department stores.**—Less than 4,100 department stores, compared with the 354,683 stores which may be considered similar in merchandise sold, accounted in 1939 for approximately 4 billion dollars or 9.5 percent of total retail sales, or 39.3 percent of total sales of competing kinds of business as listed in the table below. The corresponding ratio of

business done by department stores in 1929 was 9 percent of total sales or 29.5 percent of the sales of competing or related kinds of business. Thus the 39.3 percent ratio in 1939 is one-third higher than the 29.5 percent ratio in 1929.

It is believed that this increased preference of the public for department stores results from the shopping convenience of bringing together under one roof and management what is in effect a number of related stores in various kinds of business, with uniform policies and services to shoppers including charge accounts and deliveries. The grouping also permits of the provision at small cost of many shopping conveniences not obtainable in small stores, employment of a higher grade of merchandising and advertising personnel, and more effective use of newspaper space. Some of the same advantages are attained by supermarkets and large drug stores, which likewise are gaining in public favor as measured by their increasing proportion of total competitive sales.

Increased chain penetration of the department store field is a development of the decade under review. Whereas in 1929 chains operated only 1,964 of the 4,221 department stores of that year and accounted for one-sixth of their total sales, the chain sales ratio increased to 26.7 percent in 1935 and to 30.0 percent in 1939. In the latter year chains controlled 2,672 of the 4,074 department stores. The sales ratio of mail-order (catalog) and other types remained practically unchanged, moving from 11.2 to 11.8 percent, so the gain by chains was directly at the expense of independent operators, whose sales ratio dropped from 72.1 percent in 1929 to 58.2 percent 10 years later. A summary follows:

DEPARTMENT STORES, 1939, 1935, 1929

KIND OF BUSINESS	1939		1935		1929	
	Stores	Sales (add 000)	Stores	Sales (add 000)	Stores	Sales (add 000)
Total, all kinds of business.....	1,770,355	\$42,041,790	1,587,718	\$32,791,212	1,476,365	\$48,329,652
General stores (with food).....	39,688	810,342	66,701	1,110,403	104,089	2,570,744
Dry goods, general merchandise.....	29,247	713,208	28,709	527,862	38,305	1,189,856
Variety stores.....	16,946	976,801	11,741	780,819	12,110	904,147
Apparel group.....	106,959	3,258,772	95,968	2,656,242	114,296	4,240,893
Furniture—household—radio group.....	52,827	1,733,257	45,215	1,289,896	58,941	2,754,721
Hardware stores.....	29,147	629,276	26,996	467,217	25,330	706,053
Drug stores.....	57,903	1,562,502	56,697	1,232,593	58,258	1,690,399
Jewelry stores.....	14,559	361,595	12,447	234,893	19,998	536,281
News dealers.....	7,407	72,427	7,071	61,655	10,285	149,866
Total, 9 related kinds of business.....	354,683	10,118,180	351,545	8,361,580	441,612	14,742,960
Department stores.....	4,074	3,974,998	4,201	3,311,070	4,221	4,350,098
Ratio of department store sales to:						
Total, all kinds of business.....		Percent 9.5		Percent 10.1		Percent 9.0
Total, 9 related kinds of business.....		39.3		39.6		29.5
Chain sales ratios of department stores:						
Independent stores.....	1,371	58.2	1,711	61.4	2,166	72.1
Department store chains.....	2,672	30.0	2,423	26.7	1,964	16.7
Mail-order (catalog) houses and other chains.....	31	11.8	67	11.9	91	11.2

**Growth of variety stores.**—Variety stores also have increased substantially in number and relative sales importance since 1929. They have abandoned their former 5 and 10 cent limitation on prices, have added more lines of merchandise, and many have developed a fountain and lunch business equal to 10 percent or more of total sales.

The commodity analysis (table 18) shows that commodity groups which account for more than 10 percent each of variety store sales include apparel and accessories, dry goods, home furnishings, hardware, toiletries and drug sundries, and fountain-lunch. In the following summary, the kinds of business which most nearly measure the sales of those commodities are compared with variety store sales for 1939, 1935, and 1929:

VARIETY STORES, 1939, 1935, AND 1929

KIND OF BUSINESS	1939		1935		1929	
	Stores	Sales (add 000)	Stores	Sales (add 000)	Stores	Sales (add 000)
Total, all kinds of business.....	1,770,355	\$42,041,790	1,587,718	\$32,791,212	1,476,365	\$48,329,652
General stores (with food).....	39,688	810,342	66,701	1,110,403	104,089	2,570,744
Department stores.....	4,074	3,974,998	4,201	3,311,070	4,221	4,350,098
Dry goods, general merchandise stores.....	29,247	713,208	28,709	527,862	38,305	1,189,856
Apparel group.....	106,959	3,258,772	95,968	2,656,242	114,296	4,240,893
Home furnishings—other.....	12,012	226,727	9,776	156,995	8,820	303,430
Hardware stores.....	29,147	629,276	26,996	467,217	25,330	706,053
Drug stores.....	57,903	1,562,502	56,697	1,232,593	58,258	1,690,399
Eating places.....	169,792	2,135,020	153,468	1,666,899	134,293	2,124,890
Total, 8 related kinds of business.....	448,822	13,310,845	442,516	11,129,281	487,612	17,176,363
Variety stores.....	16,946	976,801	11,741	780,819	12,110	904,147
Ratio of variety store sales to:						
Total, all kinds of business.....		Percent 2.3		Percent 2.4		Percent 1.9
Total, 8 related kinds of business.....		7.3		7.0		5.3

Thus the relative importance of variety stores has increased substantially in the decade. The sales ratio is 21 percent better in 1939 than in 1929 in relation to all retail sales (2.3 percent versus 1.9 percent) and 38 percent better in relation to the sales of competing or related kinds of business (7.3 percent versus 5.3 percent).

**Hard-goods stores.**—Largely since 1929 there has developed in retail trade a new kind of store which for want of a better name is called a "hard-goods store." It is an outgrowth of the automobile tire and accessories store plus shelf hardware and paints, electrical household appliances, radios, some home furnishings, and some farm and garden supplies. For census purposes the store must show by its commodity analysis that it sells automobile accessories, household appliances, and home furnishings but that no one of the three accounts for as much as 51 percent of total sales. Some 518 stores were identified as "hard-goods stores," with sales in 1939 of \$58,900,000. Data for this classification have not been presented separately in the kind-of-business tables, but have been included under the classification "Other retail stores."

## CENSUS OF BUSINESS

**Popularity of supermarkets.**—The apparent preference of consumers for stores which bring together related commodities for greater shopping convenience is further indicated by the disproportionate growth of combination food stores in comparison with grocery stores, meat markets, and fruit-vegetable markets, of which supermarkets are a composite. A separate section on supermarkets is contained herein, page 817.

Supermarkets constitute the principal part of the "combination stores" classification, which increased

from 36.0 percent in 1929 to 54.0 percent in 1939 of total food store sales. Grocery stores without fresh meats, and frequently without fruits and vegetables, decreased in relative importance from 31.8 percent in 1929 to 21.9 percent in 1939, meat markets from 12.3 percent to 7.4 percent, and fruit stores and vegetable markets from 2.9 percent to 2.2 percent during the decade.

The several kinds of food stores compare as follows:

CERTAIN FOOD STORES COMPARED: 1939, 1935, AND 1929

KIND OF BUSINESS	1939			1935			1929		
	Number of stores	Sales		Number of stores	Sales		Number of stores	Sales	
		Amount (add 000)	Percent		Amount (add 000)	Percent		Amount (add 000)	Percent
<b>All food stores, total</b> .....	<b>560,549</b>	<b>\$10,164,967</b>	<b>100.0</b>	<b>532,010</b>	<b>\$8,362,425</b>	<b>100.0</b>	<b>481,891</b>	<b>\$10,837,421</b>	<b>100.0</b>
Combination stores (groceries—meats).....	187,034	5,496,318	54.0	166,233	4,149,813	49.6	115,549	3,903,662	36.0
Grocery stores (without fresh meats).....	200,303	2,225,435	21.9	188,738	2,202,607	26.3	191,876	3,449,129	31.8
Meat markets, fish markets.....	42,360	750,797	7.4	39,474	612,451	7.3	49,865	1,336,958	12.3
Dairy products, milk dealers.....	16,834	740,011	7.3	16,380	576,351	6.9	8,478	726,961	6.7
Fruit stores, vegetable markets.....	27,666	222,239	2.2	32,632	215,965	2.6	22,904	308,379	2.9
Other food stores.....	86,352	730,167	7.2	88,553	605,238	7.3	93,219	1,112,332	10.3

**Growth of eating and drinking places, liquor stores, and filling stations.**—Another indication of far-reaching changes in consumer preference in the decade following 1929 is the great increase in number and sales of places in the personal convenience class, exemplified by eating and drinking places, liquor stores, and filling stations.

Despite the diversion of nearly 2 billion dollars of consumer purchases into drinking places and liquor stores, which did not exist in 1929, sales in restaurants and other eating places were greater in 1939 than in 1929, and the number of such places was 26 percent greater.

Many of the more than 35,000 eating places added since 1929 were located along the highways, as were many of the more than 135,000 drinking places. The distribution by counties and cities is shown in the area tables (tables 15, 16, and 17) published in detail for each State, Census of Business, Vol. I, Part 3.

Filling stations nearly doubled in number in the 1929-1939 decade, and sales increased 58 percent. The area tables referred to above show also the geographic distribution of these filling stations, more than the majority of which are located on highways in small towns and rural areas. Of the 241,858 filling stations in 1939, nearly 130,000 were in places of less than 2,500 population, or rural areas, and their sales constituted 34.7 percent of total filling station sales.

The four kinds of business referred to herein more than doubled their proportion of the retail dollar in the decade under review, increasing their dollar sales by \$3,016,585,000 or 77 percent. A summary follows.

**Changes in size of stores.**—The 20 percent increase in the number of retail stores in the decade is almost entirely reflected in an increase in small stores. Statistical presentation of the facts is complicated by differ-

EATING AND DRINKING PLACES, LIQUOR STORES, AND FILLING STATIONS—COMPARISON OF SALES: 1939, 1935, AND 1929

KIND OF BUSINESS	1939		1935		1929	
	Stores	Sales (add 000)	Stores	Sales (add 000)	Stores	Sales (add 000)
<b>Total, all kinds of business</b> .....	<b>1,770,355</b>	<b>\$42,041,790</b>	<b>1,587,718</b>	<b>\$32,791,212</b>	<b>1,476,365</b>	<b>\$48,329,652</b>
Eating places.....	169,792	2,135,020	153,468	1,666,899	134,293	2,124,890
Drinking places.....	135,594	1,385,032	98,005	723,961	.....	.....
Liquor stores.....	19,136	586,351	12,105	328,307	.....	.....
Filling stations.....	241,858	2,822,495	197,568	1,967,714	121,513	1,787,423
<b>Total, 4 kinds of business</b> .....	<b>566,380</b>	<b>6,928,898</b>	<b>461,146</b>	<b>4,686,881</b>	<b>255,806</b>	<b>3,912,313</b>
Ratio of 4 kinds of business to total retail sales.....		Percent 16.5		Percent 14.3		Percent 8.1

ences in the price level, in that a store in any given size class in 1929 could appear in a smaller size group in 1939 even though it were selling the same physical volume of merchandise, by reason of the lower dollar value of most commodities. As stated previously (page 3), the cost-of-living index for 1939 was 19.2 percent lower than for 1929; it was much lower in 1935.

Comparisons by size based on dollar sales, therefore, do not reflect size changes in physical volume. Dollar volume, however, is the accepted measure of size in the trade.

Stores with more than \$300,000 of sales in 1929 numbered 15,029 or 1 percent of all stores, and accounted for sales of \$12,323,766,000 or 25.5 percent of total sales. In 1939 stores of this sales size numbered 12,630 (0.7 percent of the total) with sales of \$9,855,631,000 or 23.4 percent of total sales. The decrease conceals the fact that in two major groups the number of these large stores increased. There were 886 more food stores with sales over \$300,000 in 1939 than in 1929, and 317 more department stores in this size group.

Stores in the next size group, \$100,000 to \$300,000, decreased in number and sales. They numbered 62,009

(4.2 percent) in 1929 and 50.097 (2.8 percent) in 1939; their sales totaled \$9,786,669,000 (20.2 percent of the total) in 1929 but fell to \$7,955,285,000 (18.9 percent) in 1939. Comparisons by kinds of business and by States are available in tables herein (tables 10 and 11, including sub-tables), which also distinguish between independent and chain stores.

Stores in the size group between \$30,000 and \$100,000 also decreased in number and in relative sales importance. In number they dropped from 300,417 (20.3 percent) in 1929 to 226,539 (12.8 percent) in 1939; in sales from \$15,248,966,000 or 31.6 percent of total sales in 1929 to \$11,471,710,000 or 27.3 percent of total sales in 1939.

The stores in the next smaller size group, \$10,000 to \$30,000, increased in number and sales in the decade. This size group included 468,885 stores (31.8 percent of all stores) in 1929 and 522,117 stores (29.5 percent of the total) in 1939. Sales totaled \$8,349,491,000 (17.3 percent of all sales) in 1929 and \$8,938,632,000 (21.3 percent of all sales) in 1939.

Stores with annual sales of less than \$10,000 show a substantial gain in numbers, increasing from 630,025 (42.7 percent) in 1929 to 958,972 (54.2 percent) in 1939. Sales increased from \$2,620,760,000 or 5.4 percent of all sales in 1929 to \$3,820,532,000 or 9.1 percent of all sales in 1939. The tables referred to above show in which States this growth occurred, and the kinds of business which account for the increases.

**Changes in retail trade by size of cities.**—Except for a slight increase in the relative sales importance of smaller cities in the 5,000 to 30,000 population range, previously discussed herein (page 9), and a relatively

large increase in the number of highway filling stations and eating and drinking places (as well as some other kinds of stores) in places under 2,500 population and rural areas, there has been no significant shift in retail trade as between the major city-size groups in the decade under review.

About 43 percent (42.8) of all stores in 1939 were located in cities of more than 30,000 population, compared with 44.3 percent in 1929. The same proportion of stores (10.7 percent) were in cities of 10,000 to 30,000 population in 1939 as in 1929. In places under 10,000 the proportion increased slightly from 45 percent in 1929 to 46 percent in 1939. None of these shifts is significant.

In terms of relative sales volume the only change of consequence is in cities of 10,000 to 30,000 population, where the proportion of total sales increased from 11.8 percent in 1929 to 12.8 percent in 1939. A summary follows.

RATIOS OF STORES AND SALES COMPARED BY SIZE OF CITIES: 1939 VS. 1929

SIZE GROUP	NUMBER OF STORES		SALES	
	1939	1929	1939	1929
<b>Total, United States.....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Cities of more than 30,000.....	42.9	44.3	57.1	58.0
Cities of 10,000 to 30,000.....	10.7	10.7	12.8	11.8
Cities of 5,000 to 10,000.....	6.9	6.8	7.2	6.7
Cities of 2,500 to 5,000.....	6.1	6.4	5.6	5.8
Places of less than 2,500.....	33.4	31.8	17.3	17.7

The number of stores in each major city-size group and the volume of sales for 1939, 1935, and 1929 are as follows:

STORES AND SALES BY MAJOR CITY-SIZE GROUPS

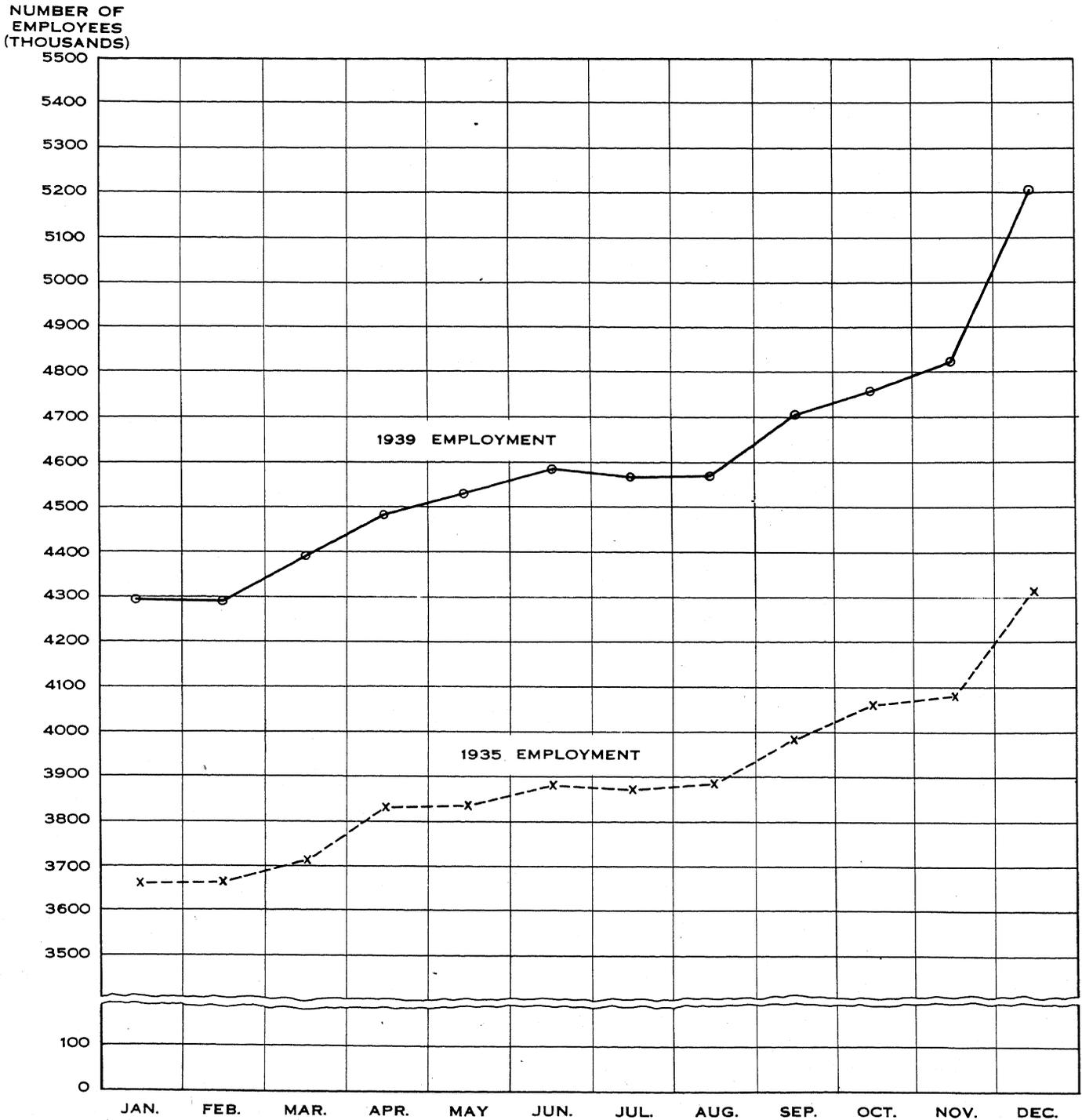
CITY SIZE (Based on population)	1939				1935				1929			
	Stores		Sales (millions)		Stores		Sales (millions)		Stores		Sales (millions)	
	Number	Percent	Amount	Percent	Number	Percent	Amount	Percent	Number	Percent	Amount	Percent
<b>All stores.....</b>	<b>1,770,355</b>	<b>100</b>	<b>\$42,042</b>	<b>100</b>	<b>1,653,961</b>	<b>100</b>	<b>\$33,161</b>	<b>100</b>	<b>1,543,158</b>	<b>100</b>	<b>\$49,115</b>	<b>100</b>
Cities over 30,000.....	759,103	43	24,023	57	724,103	44	18,968	57	683,751	44	28,486	58
Cities 10,000-30,000.....	189,174	11	5,404	13	171,400	10	4,060	12	164,871	11	5,815	12
Places under 10,000.....	822,078	46	12,615	30	758,458	46	10,133	31	694,536	45	14,814	30

Table 12A herein presents 1939 data on stores, sales, personnel, and pay roll by 11 city-size groups, for the United States and for each geographic division. Table 12C shows stores and sales by kinds of business, by city-size groups, whereas tables 12D and 12E show the same data for independent and chain stores respectively, all for the United States as a whole. Table 12F and 12G break the data down further by geographic divisions, limiting the kind-of-business analysis to the 11 major business groups and 5 separate kinds of business but distinguishing between independents and chain stores.

It is possible with these tables to arrive at a very detailed picture of retail trade throughout the United States as it was before the impact of war. Great differences are shown between the various sections of the country as to independents versus chain stores, small versus large stores, public preference for certain kinds of stores as against other stores selling the same merchandise (exemplified by the virtual absence of delicatessen stores in some sections, prevalence of grocery rather than combination food stores in other sections, spotty popularity of variety stores, and the like), and other seeming inconsistencies which result from the inde-

CENSUS OF BUSINESS

CHART 3. COMPARATIVE EMPLOYMENT BY MONTHS: 1939 AND 1935  
 (Full-time and part-time employees combined)



AVERAGE NUMBER OF EMPLOYEES FOR THE YEAR

1939 - 4,600,217

1935 - 3,898,258

pendent status and varying customs of the several States.

A further analytical description of retail trade by sales size is contained in vol. 1, part 2, pages 7 to 10. Tables 10 and 11 in the same volume (pages 686 to 900) show break-downs of the basic data for each kind of business, independents and chains separately, by geographic divisions and States. Very small independent stores (under \$10,000 per year) are further analyzed therein in table 10A. Very large stores (over \$300,000 per year) are likewise analyzed in table 11D, by geographic divisions and States.

**EMPLOYMENT AND PAY ROLL IN RETAIL TRADE (TABLES 6A TO 6L, INCLUSIVE)**

More than 7,000,000 persons were employed full-time or part-time in retail stores in the United States in 1939. Of the total, 4,600,217 or 64.4 percent were paid employees; the remaining 35.6 percent were self-employed, consisting of 1,613,673 proprietor-owners and 923,878 unpaid members of their families.

An additional 111,335 persons employed in the central offices and warehouses of retail chains are not included in the total of store employees.

Though total employment (full-time and part-time employees) shows a substantial increase in the 10 years between 1929 and 1939, the gain has been in the use of part-timers. In the east and north there has been a small decrease in full-time employment, while in the south and west the number of these employees has increased, with a net result for the United States as a whole that the total number of full-time employees is practically identical for the two years—a difference of less than one-twentieth of 1 percent. All geographic divisions without exception show substantial increases in the number of part-time employees, resulting in a total increase for the United States of more than 300,000, or 56 percent more than in 1929.

The number of paid store employees in 1939 compares with that in 1935 and 1929 as follows:

**RETAIL STORE PERSONNEL<sup>1</sup>—COMPARATIVE SUMMARY**

[For 1939 data by kinds of business, see tables 6E and 6F]

YEAR	PAID PERSONNEL <sup>2</sup>			SELF-EMPLOYED	
	Total	Full-time	Part-time	Proprietors	Family members
1939 .....	4,600,217	3,730,932	869,285	1,613,673	923,878
1935 .....	3,898,258	(3)	(3)	1,440,108	(3)
1929 .....	4,286,516	3,729,442	557,074	1,434,704	(3)

<sup>1</sup> Index of data on retail employment—data on store employees and proprietors by kinds of business and by States, are contained in tables 2A and 2B herein; by legal form of organization in table 4A; by months in tables 6A and 6B; by occupational groups in table 6E; by size groups based on average number of employees in tables 6H and 6J; by size groups based on sales in tables 10C to 10F and 11A to 11D; by city-size groups in table 12A; for negro proprietorships in tables 13A to 13D.

A special summary of proprietors and firm members who draw regular weekly or monthly compensation, related to the sales volume and kinds of business of their stores and the number and compensation of paid employees, is contained in tables 6K and 6L.

Data on family members who work full-time or part-time in lieu of paid employees are shown by kinds of business in table 6F and by States in table 6G.

In addition there is contained detailed employment data for each State separately, by kinds of business.

<sup>2</sup> Exclusive of 111,335 in central offices and warehouses.

<sup>3</sup> Not available.

Although the term “employment” usually connotes only paid employees including officers, in retail trade the extent of self-employment is so great both numerically and relatively that the services of proprietors and unpaid members of their families cannot be disassociated from paid employment, since the one is in lieu of the other.

Retail margin normally includes provision for pay roll, which may be 40 to 50 percent of total operating expense. In unincorporated family stores if the normal margin is not absorbed by higher-than-usual rent and other expenses, or offset by inefficient merchandising, the proportion intended for pay roll is available either as wages of employees or as compensation to proprietors and family members who may work in lieu of paid employees. Proprietors are the owners of such unincorporated businesses, whether sole proprietorships or partnerships, and the 1,613,673 proprietors reported are those who devote the major portion of their time to the business. Silent partners and others financially interested but who do not devote the major portion of their time to the business *are not included*. Members of the families of proprietors (wives or husbands, sons, daughters, etc.) who are regularly working in the business, but paid no stipulated wage or salary, are separately reported (and shown elsewhere herein) but *are not included* in the count of proprietors. In 1939 they numbered 923,878, of whom more than one-half worked full-time.

In retail trade the number of proprietors actively devoting all or the major portion of their time to the business exceeds 43 percent of the total number of full-time store employees. Considering only proprietorships and partnerships, the number of active proprietors is nearly equal to the number of full-time paid employees. The number of part-time family members exceeds the number of part-time employees. Thus in unincorporated businesses the over-all situation is that for each store there is one proprietor-owner and one-third as many full-time family members, for each proprietor-owner there is one full-time paid employee, and the fluctuations in trade are met by the use of part-time paid employees and part-time family members. Incorporated businesses likewise employ part-time workers, but of course have no unpaid family members or proprietors. A summary follows.

**SUMMARY OF STORE PERSONNEL BY CLASSES OF EMPLOYEES**

CLASS OF EMPLOYEE	PAID AND UNPAID PERSONNEL		
	Total	Full-time	Part-time
<b>Total, 1939.....</b>	<b>7,137,768</b>	<b>5,811,998</b>	<b>1,325,770</b>
Paid employees.....	4,600,217	3,730,932	869,285
Proprietors.....	1,613,673	1,613,673	.....
Unpaid family members.....	923,878	467,393	456,485

Detailed data on these three classes of personnel, by kinds of business and by States, are shown in tables 6F and 6G herein.

## ANALYSIS OF STORE PERSONNEL BY LEGAL FORMS OF ORGANIZATION AND BY TYPES OF OPERATION

[Unpaid family members excluded]

LEGAL FORM OF ORGANIZATION	Number of stores	Total employment	PAID EMPLOYEES		Proprietors
			Full-time	Part-time	
<b>Total, all stores</b> .....	<b>1,770,355</b>	<b>6,213,890</b>	<b>3,730,932</b>	<b>869,285</b>	<b>1,613,673</b>
Proprietorships and partnerships	1,547,034	3,719,242	1,711,874	399,075	1,608,293
Corporations	210,570	2,453,828	1,989,148	464,680	.....
Other forms of organizations	12,751	40,820	29,910	5,530	5,380
<b>TYPE OF OPERATION</b>					
<b>Total, all stores</b> .....	<b>1,770,355</b>	<b>6,213,890</b>	<b>3,730,932</b>	<b>869,285</b>	<b>1,613,673</b>
Independents	1,624,665	4,925,384	2,803,145	519,302	1,602,937
Chains	123,195	1,121,476	794,965	323,409	3,102
Other types	22,495	167,030	132,822	26,574	7,634

<sup>1</sup> Does not include 111,335 employees of central offices and warehouses.

**Part-time employment.**—The number of part-time employees in retail stores has been increasing, both actually and relatively. Between 1929 and 1939 the number increased more than 312,000, from 557,074 in 1929 to 869,285 in 1939 or 56 percent, while the number of full-time employees was practically identical in both years.

During the depression which intervened, when full-time employment fell from 3,729,442 in 1929 to 2,703,325 in 1933 or 28 percent, part-time employment increased. The Retail Census for 1933 showed 730,327 part-time employees, which was 31 percent higher than in 1929. Comparable part-time figures for 1935 are not available.

A part-time employee is defined by the census as one who is employed less than the full number of hours of the workweek. Extras and contingents employed for limited periods, but who work the full number of hours of the workweek while employed, are classified as full-time employees, but their effect on the total is proportionate to the time so employed, because of the monthly reporting method used. The method is described later herein.

**Proportion of time worked.**—It is possible to establish the approximate proportion of full-time worked by part-time employees, by comparing their average annual earning with the average annual earnings of full-time employees. Thus in 1929 the average part-time employee was paid 21.5 percent of the average full-time wage, while the corresponding proportion was 34.2 percent in 1933 and 32.5 percent in 1939. It is fair to assume that these proportions represent also the approximate proportion of the full week worked by part-time employees in the same years. Comparable figures for 1935 are not available.

**Employment by months.**—The method of reporting employment, which calls for separate figures each month of full-time and part-time employees on the pay roll nearest the 15th of each month, provides the basis for computing the average number employed through-

out the year. Employment figures in Business Census reports represent average continuous employment throughout the year, unless otherwise noted. This average results from adding the 12 amounts obtained from a count of names on the pay roll each month and dividing the total by 12

Table 6A in this report, which shows the number employed each month as well as the resulting average and the proportion of men and women employees, measures the extent of fluctuation in retail employment from month to month and by kinds of business. In the food business, for instance, such fluctuations are rather small whereas in seasonal businesses they are pronounced. There are marked seasonal differences between States, as shown in table 6B. But it is one of the attributes of the retail business that such differences between kinds of business and States tend to offset each other, resulting in an extreme variation from the annual average of only 13.1 percent in December, much of which is part-time salespeople. A summary follows.

## MONTHLY VARIATIONS IN STORE EMPLOYMENT, 1939

[See tables 6A and 6B]

MONTH	Percent of average	NUMBER OF EMPLOYEES			Percent part-time to full-time (quarterly)
		Total	Full-time	Part-time	
<b>Average for the year</b> .....	<b>100.0</b>	<b>4,600,217</b>	<b>3,730,932</b>	<b>869,285</b>	<b>23.3</b>
January	93.4	4,295,041	3,553,948	741,093	21.3
February	93.3	4,292,430	3,542,591	749,839	
March	95.5	4,391,377	3,598,858	792,519	
April	97.5	4,484,033	3,650,629	833,404	
May	98.5	4,529,835	3,680,858	848,977	23.0
June	99.7	4,584,833	3,724,877	859,956	
July	99.3	4,567,789	3,728,592	839,197	22.9
August	99.4	4,570,406	3,734,884	835,522	
September	102.3	4,704,217	3,802,629	901,588	
October	103.5	4,758,959	3,835,651	923,308	25.8
November	104.8	4,821,806	3,870,195	951,611	
December	113.1	5,201,828	4,047,467	1,154,361	

Similar information by kinds of business and by States is available in tables 6A and 6B herein. Monthly employment data by kinds of business for each State and each city with a population of 500,000 or more are contained in table 6, pages 340 to 540.

**Fluctuations moderate.**—The number of full-time employees in February, the month of lowest employment, was only 188,341 less (5 percent less) than the annual average. The peak in December was only 316,535 (8.5 percent) more than the annual average. A part of the December increase, both full-time and part-time, was caused by a general upward trend in sales volume of major proportions which began in September of 1939 and continued into the summer and fall of 1942.

With the exception only of February, each month in 1939 provided increased full-time employment over the preceding month. With only two minor exceptions—July and August—part-time employment also increased each month over the preceding month.

Employment figures clearly indicate that the sales increases toward the end of 1939 were not then recognized as the start of a sustained upward cycle and were being met on a temporary basis by the employment of more part-time employees rather than full-time permanent additions to the staff.

The proportion of part-time to full-time employees increased from 21.3 percent in the first quarter of 1939 to 25.8 percent in the final quarter. In 1933 the ratios were 25.0 percent in the first quarter and 28.7 percent in the last quarter. Corresponding ratios in 1929 were 14.9 percent as of April 15 and 16.3 percent as of December 15. No such data were reported for 1935, though total employment by months (full-time and part-time combined) is available.

Because of this tendency of retailers to cushion changes in employment by first increasing or reducing part-time employment, it would seem to be possible to forecast or at least recognize the start of a major business cycle, if reliable sample data were available monthly on current changes in the proportion of part-time and full-time retail employment. Enough background is provided in the several retail censuses to date to measure and discount purely seasonal fluctuations, permitting of a sensitive index which might be of value in detecting major trends as a check on sales indexes.

**Proportion of women employees.**—Of the 4,600,217 store employees in 1939, women totaled 1,566,545 or 34.1 percent. The general merchandise group, and particularly variety stores, reported the greatest proportion of women employees, exceeding even the apparel group as a whole. Within the apparel group, however, four kinds of business exceed variety stores in this regard.

Extreme variations in the proportion of women employees are shown by the following comparison:

KINDS OF BUSINESS EMPLOYING HIGHEST AND LOWEST RATIO OF WOMEN

TEN WITH HIGHEST PROPORTION		TEN WITH LOWEST PROPORTION	
Kind of business	Per- cent wom- en	Kind of business	Per- cent wom- en
Millinery stores.....	94.3	Tires, accessories, parts (second-hand).....	3.4
Corset and lingerie shops.....	92.7	Filling stations.....	5.0
Hosiery shops.....	88.1	Used car dealers.....	5.6
Women's ready-to-wear stores.....	86.5	Motor-vehicle—farm implement dealers.....	6.0
Variety stores.....	86.4	Bicycle shops.....	6.1
Women's accessories stores.....	83.1	Farm implement—tractor—hardware dealers.....	6.3
Other apparel stores.....	82.0	Accessory, tire, battery dealers.....	6.5
Candy, nut stores.....	76.8	Lumber yards.....	6.8
Dry goods stores.....	73.3	Milk dealers.....	6.8
Department stores.....	66.2	(1) Meat markets, (2) Motor-vehicle dealers (new and trade-in).....	7.0

There is a considerable difference between States in the proportion of women employed in retail stores. The extent of such difference is shown by the following comparison of extremes:

STATES WITH HIGHEST AND LOWEST PROPORTION OF WOMEN EMPLOYEES

FOUR WITH HIGHEST PROPORTION OF WOMEN		FOUR WITH LOWEST PROPORTION OF WOMEN	
State	Percent women	State	Percent women
Illinois.....	39.1	South Carolina.....	26.5
Pennsylvania.....	38.9	New Mexico.....	26.7
Ohio.....	38.6	Nevada.....	27.6
Minnesota.....	38.2	New Jersey.....	28.0

Further details are shown in table 6B herein. Similar data in full detail by kinds of business for each State are contained elsewhere in this volume.

Compared with 1929 the proportion of women in retail stores has increased slightly, from 32 percent in 1929 to 34.1 percent in 1939. In the interval the proportion of women fell to 31 percent in 1933 and 30.5 percent in 1935.

In the central offices and warehouses of chain store organizations, women constituted 33 percent of the total number of employees in 1933, and 36 percent in 1939. Data for 1929 and 1935 are not available.

No data on proprietors by sex are available, except in the 1929 census, which showed that 91 percent were men and 9 percent were women.

**Employment by kinds of business.**—Retailing of food, meals, and drinks account for more than 40 percent of total retail employment. It includes food stores (17.4 percent), eating and drinking places (17.5 percent), about half of general stores with food (half of 1.3 percent) and the fountains and lunch counters of drug stores, variety stores, department stores and many cigar stores.

In the 10 years from 1929 to 1939, retail employment has shifted significantly from stores specializing in durable goods to the casual, repeated-purchase businesses such as filling stations and eating and drinking places.

Food stores, drug stores, apparel, and general merchandise stores have remained substantially unchanged in relative employment. Food stores (including 50 percent of the employment in general stores with food) and drug stores are identical in both years—18.0 percent and 4.1 percent, respectively, of the total. The general merchandise group (including half of the general stores with food), accounted for 19.5 percent versus 20.6 percent in 1929, while the apparel group employed 8.5 percent of the total compared with 9.2 percent ten years before.

Such durable-goods businesses as furniture and household appliance stores, motor-vehicle dealers, and the lumber—building—hardware group report considerably fewer employees in 1939 than in 1929, numerically as well as proportionally. The furniture—household—radio group accounts for 4.6 percent compared with 6.2 percent in 1929, the automotive group 8.5 percent versus 9.6 percent in 1929, the lumber—building—

## CENSUS OF BUSINESS

hardware group 5.5 percent versus 7.5 percent, and the "other retail stores" group 8.7 percent compared with 10.5 percent in 1929.

The big increases in employment have been in filling stations and eating-drinking places. Filling stations report about 91,000 more (63 percent more) employees than in 1929 and, in proportion to total retail employment, have advanced from 3.4 percent in 1929 to 5.1 percent in 1939. Eating places report about 128,000 more employees (27.5 percent more) than in 1929. Drinking places, nonexistent as a classification in 1929, employed more than 212,000 persons in 1939. A comparative summary follows:

RELATIVE EMPLOYMENT BY MAJOR BUSINESS GROUPS

KIND OF BUSINESS	1939 per-cent	1929 per-cent	KIND OF BUSINESS	1939 per-cent	1929 per-cent
SUBSTANTIALLY UNCHANGED			REDUCED EMPLOYMENT		
Grocery and combination stores.....	11.7	10.1	Furniture—household—radio group.....	4.6	6.2
Other food stores.....	5.6	6.3	Automotive group.....	8.5	9.6
General stores (with food).....	1.3	3.1	Lumber—building—hardware group.....	5.5	7.5
Department stores.....	12.3	12.7	Other retail stores group.....	8.7	10.5
Other general merchandise stores.....	6.5	6.4	INCREASED EMPLOYMENT		
Apparel group.....	8.5	9.2	Filling stations.....	5.1	3.4
Drug stores.....	4.1	4.1	Eating—drinking places.....	17.5	10.9

General stores (with food) are listed in the first column above for the reason that many country general stores, having evolved in recent years into either predominantly food stores or predominantly general merchandise stores, are so classified in 1939; they have not gone out of business. As a separate kind of business they dropped in number from more than 100,000 stores in 1929 to less than 40,000 in 1939, and their employment dropped in about the same proportion. The shift in classification is unavoidable since it merely reflects a change in the nature of the business. For further detail see tables 6C and 6D herein.

**Employment geographically.**—Though shifts in employment from one geographic division or State to another during the 10 years between 1929 and 1939 have been relatively insignificant in comparison with the shifts which have occurred since 1939 as a result of the war, both the South and Southwest and the Pacific Coast States reflect in their relative share of total retail employment the gains in sales which they have made in relation to the remainder of the country.

The South Atlantic, West South Central, and Pacific Divisions in 1929 accounted jointly for 25.7 percent of total store employment. By 1939 their combined proportion had increased to 28.7 percent. Except for a small increase in the Mountain States, every other part of the country declined proportionately. A summary follows.

RELATIVE EMPLOYMENT BY GEOGRAPHIC DIVISIONS

DIVISIONS	1939 per-cent	1929 per-cent	DIVISIONS	1939 per-cent	1929 per-cent
U. S. total.....	100.0	100.0	South Atlantic.....	11.3	9.3
New England.....	7.9	8.2	East South Central.....	4.6	4.6
Middle Atlantic.....	23.2	24.8	West South Central.....	7.9	7.6
East North Central.....	22.4	23.1	Mountain.....	3.2	3.0
West North Central.....	10.0	10.6	Pacific.....	9.5	8.8

**Employment by types of operation.**—Independent stores employ about three times as many persons as do chains, in addition to which they utilize the services of about 75 percent as many unpaid proprietors and family members as the number of their paid employees. Over-all totals are shown in the text table on page 25 herein, and further details are shown in table 6H.

Exclusive of the services of proprietors, independents employ 72.2 percent of all paid employees and do 74.7 percent of total retail business. Including proprietors and paid employees, independents utilize 79.3 percent of the total store personnel other than family members. Single-store independents alone make 65.2 percent of total sales, employ 61.7 percent of all paid employees, and utilize the services of 70.5 percent of total store personnel including proprietors.

Chains do 21.7 percent of the total business, employ 24.3 percent of the paid employees, and utilize 18.0 percent of total personnel if proprietors are included. Various other types (direct-selling, mail-order, etc.) account for the remaining 3.6 percent of sales and 3.5 percent of paid employees. More detail is available by types of operation in table 3 A herein. See also a paragraph on employment by types of operation, on page 30.

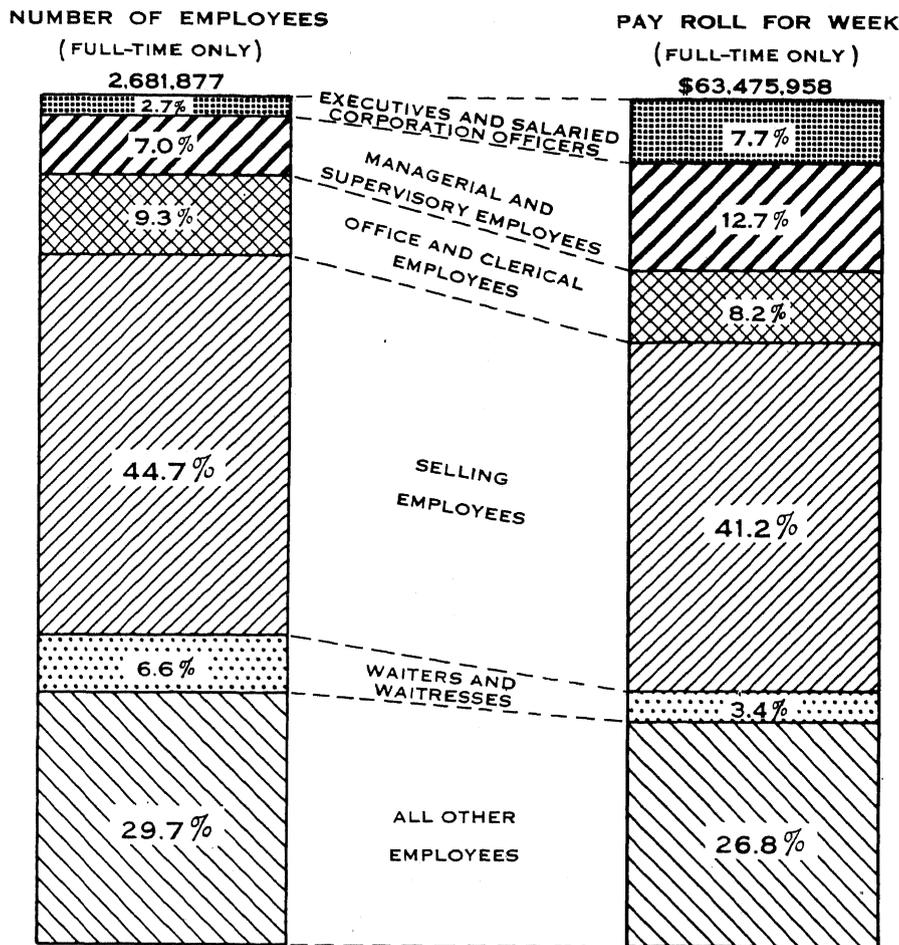
**Employment by occupational groups.**—Except for small stores in which there are no fixed occupational duties and each employee does whatever work is required, some 388,466 stores reported an analysis of their employment by occupational classes. The group classifications are: Executives and salaried corporation officers, managerial and supervisory, office and clerical, selling, waiters and waitresses, and all other employees. Proprietors are not included in the count of executives and officers, but are separately reported.

The 388,466 stores in most kinds of business which constitute this major sample had total sales in 1939 of \$28,031,513,000; their 3,241,353 employees constitute 70.5 percent of all paid store employees. Of the total reported in this representative sample, 2,681,877 or 82.7 percent are full-time and 559,476 or 17.3 percent are part-time employees. The detail by kinds of business is shown in table 6E herein.

More than 55 percent of their employees are selling employees, including waiters and waitresses in places

CHART 4. EMPLOYEES AND PAY ROLL BY OCCUPATIONAL GROUPS: 1939

(Figures for week ending October 21, 1939, or other representative week)



which serve food and drinks. Supervision and executive direction require 8.1 percent. A summary by occupational groups follows.

PAID EMPLOYMENT IN 388,466 STORES, BY OCCUPATIONAL GROUPS

[Total sales of these stores in 1939, \$28,031,513,000. Total pay roll for one representative week, \$67,431,512. Size of employment sample, 70.5 percent]

OCCUPATIONAL CLASS	Number of employees	Percent of total	PAID EMPLOYEES	
			Full-time	Part-time
All paid employees (sample).....	3,241,353	100.0	2,681,877	559,476
Executives and salaried officers, exclusive of proprietors.....	73,365	2.3	73,365	-----
Managerial and supervisory.....	188,760	5.8	186,607	2,153
Office and clerical.....	272,816	8.4	250,493	22,323
Selling.....	1,580,219	48.8	1,199,570	380,649
Waiters and waitresses.....	214,240	6.6	176,052	38,188
All other employees.....	911,953	28.1	795,790	116,163

Detailed data by kinds of business are shown in table 6E herein.

**Employment by size of store based on number employed.**—Fifteen percent of all paid personnel are employed in 2,173 stores having 100 or more employees each, and more than 50 percent in the 80,478 stores

which have 10 or more employees each. These stores constitute but 4.6 percent of the total number of stores but do 41.7 percent of total sales volume. The reason for the seeming discrepancy between 49.3 percent of the employees and 58.3 percent of the sales in the smaller stores is that stores of this size account for 98 percent of the proprietors actively engaged in retail stores. When proprietors and employees are considered together, the 80,478 stores with 10 or more employees doing 41.7 percent of the total retail business of the country account for 38 percent of total personnel. If proprietors in one-man stores with no employees are eliminated, the remainder proportion is 43.5 percent of total personnel or practically the same proportion as their sales.

Stores with one paid employee (or fraction on the monthly average basis), number 401,164, or 22.7 percent of all stores, do 9.8 percent of the total business and account for 7.5 percent of all employees and 23.7 percent of all active proprietors. Stores without paid employees, relying entirely upon the services of proprietor-owners and unpaid members of their families, constitute

753,293 or 42.6 percent of all stores, are manned by 785,854 active proprietors (48.7 percent of all proprietors) and do 9.2 percent of the total retail business of the country. A summary follows:

EMPLOYMENT BY SIZE OF STORE BASED ON NUMBER EMPLOYED

NUMBER OF EMPLOYEES PER STORE	STORES		SALES		PROPRIETORS		EMPLOYEES	
	Number	Per cent	Amount (add 000)	Per cent	Number	Per cent	Number	Per cent
<b>Total, all stores</b>	<b>1,770,355</b>	<b>100.0</b>	<b>\$42,041,790</b>	<b>100.0</b>	<b>1,613,673</b>	<b>100.0</b>	<b>4,600,217</b>	<b>100.0</b>
100 or more	2,173	.1	4,631,083	11.0	198	.4	687,831	15.0
20 to 99	27,573	1.6	7,489,654	17.8	7,382	4.6	975,384	21.2
10 to 19	50,732	2.9	5,428,733	12.9	23,986	1.5	667,871	14.5
8 or 9	28,446	1.6	1,995,740	4.8	15,559	1.0	238,421	5.2
6 or 7	60,762	3.4	3,243,946	7.7	40,101	2.5	388,008	8.4
4 or 5	121,914	6.9	4,447,498	10.6	88,304	5.5	532,703	11.6
3	122,357	6.9	3,169,777	7.5	96,683	6.0	363,617	7.9
2	201,941	11.4	3,670,135	8.7	172,531	10.7	398,696	8.7
1 <sup>1</sup>	401,164	22.6	4,103,592	9.8	383,075	23.7	347,686	7.5
No paid employees	753,293	42.6	3,851,632	9.2	785,854	48.7	.....	.....

<sup>1</sup> Or fraction on monthly average basis.

Detailed tables of the above data, by kinds of business and separately for chains and independents, are shown in table 6H, and by States in table 6J herein. Pay roll data are included.

How wholesale and service business employment compares with retail, by size of establishment, is shown in the tables which follow:

EMPLOYMENT BY SIZE OF WHOLESALE ESTABLISHMENT, BASED ON NUMBER EMPLOYED

NUMBER OF EMPLOYEES PER ESTABLISHMENT	ESTABLISHMENTS		Number of employees
	Number	Percent of total	
<b>Total</b>	<b>200,573</b>	<b>100.0</b>	<b>1,561,948</b>
100 or more	1,396	.7	264,845
20-99	16,060	8.0	604,226
10-19	20,581	10.3	278,402
8-9	8,597	4.3	72,643
6-7	14,712	7.3	94,737
4-5	23,218	11.6	102,979
3	18,762	9.4	56,044
2	25,729	12.8	51,153
1 <sup>1</sup>	39,558	19.7	36,919
No paid employees	31,960	15.9	.....

<sup>1</sup> Or fraction on monthly average basis.

EMPLOYMENT BY SIZE OF SERVICE ESTABLISHMENT, BASED ON NUMBER EMPLOYED<sup>1</sup>

NUMBER OF EMPLOYEES PER ESTABLISHMENT	ESTABLISHMENTS		Number of proprietors of unincorporated businesses	Number of employees
	Number	Percent of total		
<b>Total</b>	<b>646,028</b>	<b>100.0</b>	<b>652,491</b>	<b>1,102,047</b>
20 or more	7,758	1.2	3,035	489,871
8-19	12,087	1.9	8,147	139,990
6-7	9,863	1.5	8,212	62,836
4-5	22,290	3.4	19,613	96,787
3	26,846	4.2	24,743	79,509
2 <sup>1</sup>	54,076	8.4	51,036	106,242
1 <sup>2</sup>	147,865	22.9	146,466	126,812
No paid employees	365,243	56.5	391,239	.....

<sup>1</sup> Includes personal, business, mechanical repair, and similar service businesses.

<sup>2</sup> Or fraction on monthly average basis.

**Employment by size of store based on volume of annual sales.**—When stores are analyzed by sales size it is found that 12.4 percent of all paid employees are in

stores doing more than \$1,000,000 of annual sales volume and another 11.5 percent in stores doing \$300,000 to \$1,000,000. In contrast only 8.7 percent are in small stores with sales under \$10,000 per year, though such stores do 9.1 percent of the total retail business and account for 57.8 percent of all proprietors.

Chains employ more salespeople and indirect employees per dollar of sales than independents. One reason is apparent from the break-down by kinds of business (table 11A), in that the major business of chains is in such fields as food, drug, and variety stores in which the size of the average sales transaction is small. Another contributing factor is that while store managers of chains are included in the count of employees, the corresponding store head in most independent stores is reported in a separate classification as proprietor.

There is a marked difference between States in the proportion of employees in the several sales-size groups, as shown by tables 10D and 10F and tables 11B and 11D. Whereas stores with sales over \$100,000 account for 46 to 47 percent of all employees in the Middle Atlantic and Pacific Divisions, the ratio decreases to nearly 34 percent in the East South Central Division. Within divisions there are significant differences between States, caused partly by the presence or absence of large cities with large stores and partly by local differences in habit and retail custom. Within the same kind of business, however, there is remarkably little difference between stores of different size in the number of persons required per dollar of sales, whether the personnel consist of employees on the pay roll or proprietors and family members not on the pay roll. The trend, such as it is, is toward the employment of more persons per dollar of sales in the larger stores, as a result of their greater attention to scientific merchandising and their search for new merchandise and better sources of supply. Cost comparisons published annually by Harvard and by the Controllers' Congress have shown repeatedly that the higher expense is offset by a lower proportionate cost of goods and the opportunity for a larger margin. A summary by sales size follows.

**Employment by size of city.**—The four tables enumerated in the paragraph immediately preceding the above summary give the distribution of retail employment by States. Similar data are available in other tables herein to show employment by size of city, by all cities of 10,000 to 25,000 population, by all cities of more than 25,000 population, and by 140 metropolitan districts.

Table 17A shows total employment in each of the 398 cities of more than 25,000 population. Table 17B shows total employment in each city of 10,000 to 25,000 population. Table 17C shows total employment in each metropolitan district, with the districts listed in the order of sales rank. Detailed analyses of the retail

STORES, SALES, AND PERSONNEL BY SALES SIZE

ANNUAL SALES PER STORE	STORES		SALES		PROPRIETORS		EMPLOYEES	
	Number	Per-cent	Amount (add 000)	Per-cent	Number	Per-cent	Number	Per-cent
<b>Total, all stores...</b>	<b>1,770,355</b>	<b>100.0</b>	<b>\$42,041,790</b>	<b>100.0</b>	<b>1,613,673</b>	<b>100.0</b>	<b>4,600,217</b>	<b>100.0</b>
\$1,000,000 and over...	1,530	.1	4,509,541	10.7	153	.2	572,440	12.4
\$500,000 to \$999,999	3,844	.2	2,587,287	6.1	782	.2	254,712	5.5
\$300,000 to \$499,999	7,256	.4	2,758,303	6.6	1,894	.2	274,837	6.0
<b>Total over \$300,000:</b>								
Independents.....	8,171	.5	6,981,790	16.6	2,735	.2	761,712	16.5
Chains.....	4,459	.2	2,873,841	6.8	94	.2	340,277	7.4
\$100,000 to \$299,999:								
Independents.....	33,449	1.9	5,306,171	12.6	21,310	1.3	518,672	11.3
Chains.....	16,648	.9	2,649,114	6.3	(1)	(1)	318,252	6.9
\$50,000 to \$99,999:								
Independents.....	67,640	3.8	4,595,122	10.9	58,148	3.6	488,939	10.6
Chains.....	25,678	1.5	1,799,581	4.3	(1)	(1)	212,759	4.6
\$30,000 to \$49,999:								
Independents.....	107,704	6.1	4,084,207	9.7	104,062	6.4	449,879	9.8
Chains.....	25,517	1.4	992,800	2.4	(1)	(1)	119,322	2.6
\$20,000 to \$29,999:								
Independents.....	123,577	7.0	3,017,280	7.2	123,408	7.6	339,308	7.4
Chains.....	17,886	1.0	1,445,421	3.4	(1)	(1)	60,924	1.3
\$10,000 to \$19,999:								
Independents.....	363,086	20.5	5,211,663	12.4	367,808	22.8	544,972	11.9
Chains.....	17,568	1.0	264,268	.6	(1)	(1)	45,308	1.0
Less than \$10,000:								
Independents.....	943,533	53.3	3,739,732	8.9	933,100	57.8	378,361	8.2
Chains.....	15,439	.9	80,800	.2	(1)	(1)	21,532	.5

1 3,102 proprietors of chains not available by size groups.

business in each metropolitan district, previously published in a series of booklets, not included in any of the three formal parts of the retail census volume, showed stores, sales, personnel, pay roll, and stocks by kinds of business and totals for each city and the sub-areas composing the districts.

**Self-employment** (see tables 6F to 6L, inclusive).—Self-employment in retail and service trades is so closely related to the subject of paid employment that proprietors and family members necessarily have been referred to frequently in the preceding discussion. There are additional data, however, which justify the treatment of self-employment as a separate subject.

In retail trade self-employment consists of the gainful employment of proprietor-owners who are actively engaged in the operation of their stores, and the gainful or at least active employment of members of their families to whom no stipulated compensation is paid through the medium of the pay roll.

As was shown in previous summary tables, more than 2,000,000 (36 percent) of the 5,811,998 full-time workers in retail stores and 456,485 (34 percent) of the 1,325,770 part-time workers are proprietors and unpaid family members. The great majority are employed in small stores, and it has been shown in other tables above that 785,854 proprietors (48.7 percent of all proprietors) are working in 753,293 stores in which all the work is done by them and unpaid family members—there are no paid employees in this number of stores. Another 383,075, or 23.7 percent, operate 401,164 stores with the help of 347,686 paid employees or less than a ratio of 1 employee per store. More than 83 percent of all proprietors are in stores which have no more than 2 paid workers each—most of them none at all.

**Compensation of proprietors.**—Compensation of proprietors may be in the form of a regular drawing ac-

count or designated periodical stipend in cash, but the majority have no stipulated compensation. Actually as owners they earn whatever the business earns (or their share of it in the case of partnerships) regardless of what they may designate as "salary" or drawing account. Usually a part or all of their compensation is in the form of frequent withdrawals of cash or merchandise for personal and household uses, supplemented by the payment as business expense of numerous items of personal and household expenses which may include rent, supplies, telephone, gas and electricity, heat and the like.

Of the 1,613,673 proprietors shown by the census, 731,656 reported regular withdrawals in the form of stipulated weekly or monthly so-called salaries. The total of such so-called salaries or withdrawals in 1939 was \$905,860,000 or an average of \$1,238 per proprietor—a little more than \$100 per month.

The \$905,860,000 of proprietors' withdrawals compares with \$931,073,000 of pay roll in the same stores for 908,748 full-time and 199,593 part-time employees. In some kinds of business the pay roll far exceeds proprietors' withdrawals; examples are milk dealers, department stores, motor-vehicle dealers, and restaurants. In the great majority, however, proprietors report higher compensation (withdrawals) than the amount of their pay roll. Data on this subject are shown by kinds of business in table 6K herein and by States in table 6L.

**Unpaid family members.**—Available data on unpaid family members do not indicate the size of the stores in which they are employed nor the number of paid employees in such stores. Table 6F shows the number of such unpaid workers, full-time and part-time separately, by kinds of business. Table 6G shows the same data by States. A summary by major business groups follows.

About half of the 923,878 family members worked full-time, the remainder part-time. There are few kinds of business, however, to which this average ratio applies. A detailed study by kinds of business shows many extreme differences between the proportion of full-time and part-time family workers, and the ratio of such workers to the number of active proprietors.

No data are available as to the compensation of family members nor as to the form of such compensation.

**Retail pay roll.**—Retail pay roll in 1939 exceeded \$4,753,000,000 in stores and chain store central offices and warehouses combined, of which 95.3 percent was store pay roll.

Pay roll follows closely the pattern of employment described heretofore, with a few broad exceptions which may be summarized briefly in three categories as follows:

1. By kinds of business, the pay roll ratio is higher than the employment ratio in stores wherein the majority of employees require special skill or training, such

## CENSUS OF BUSINESS

## UNPAID PERSONNEL—PROPRIETORS AND FAMILY MEMBERS

[See table 6F for detailed data by kinds of business and 6G by States]

KIND OF BUSINESS OR GROUP	UNINCORPORATED BUSINESSES ONLY		NUMBER				
	Number of stores	Sales (add 000)	Total unpaid personnel	Active proprietors	Family members (No stipulated wages)		
					Total	Full-time	Part-time
<b>Total, all unincorporated businesses</b> .....	<b>1, 553, 937</b>	<b>\$21, 837, 335</b>	<b>2, 537, 551</b>	<b>1, 613, 673</b>	<b>923, 878</b>	<b>467, 393</b>	<b>456, 485</b>
Food group.....	505, 655	6, 319, 378	885, 608	516, 976	368, 632	179, 719	188, 913
General stores (with food).....	36, 326	556, 975	68, 056	38, 646	29, 410	12, 967	16, 443
General merchandise group.....	36, 325	653, 847	59, 317	36, 362	22, 955	12, 160	10, 795
Apparel group.....	81, 005	1, 375, 120	116, 175	82, 329	33, 846	17, 754	16, 092
Furniture—household—radio group.....	38, 490	1, 750, 007	60, 597	42, 491	18, 106	9, 772	8, 334
Automotive group.....	45, 362	2, 657, 503	64, 964	51, 238	13, 726	7, 591	6, 135
Filling stations.....	227, 951	2, 392, 081	331, 009	231, 475	99, 534	45, 673	53, 861
Lumber—building—hardware group.....	58, 129	1, 277, 745	90, 443	65, 755	24, 688	12, 520	12, 168
Eating places.....	158, 982	1, 484, 175	284, 926	170, 002	114, 924	69, 544	45, 380
Drinking places.....	131, 594	1, 274, 975	229, 993	136, 217	93, 776	50, 472	43, 304
Drug stores.....	48, 632	957, 035	73, 742	49, 673	24, 069	10, 049	14, 020
Liquor stores.....	14, 559	250, 856	20, 557	13, 670	6, 887	3, 280	3, 607
Fuel, ice, fuel-oil dealers.....	35, 528	422, 621	49, 955	37, 210	15, 745	6, 119	6, 626
Cigar stores, cigar stands.....	16, 692	137, 183	25, 557	16, 748	8, 809	3, 912	4, 897
Florists.....	14, 990	115, 625	26, 875	16, 074	10, 801	5, 434	5, 367
Other retail stores.....	80, 824	1, 099, 350	116, 455	84, 793	31, 682	15, 403	16, 259
Second-hand stores.....	22, 943	112, 859	33, 322	24, 014	9, 308	5, 024	4, 284

as jewelry; or the unit of sale is exceptionally high, such as automobile dealers. It is low in businesses wherein the earnings of service employees in contact with the public are customarily augmented by gratuities or tips, such as eating places.

2. By geographic areas, the pay roll ratio is higher than the employment ratio in communities wherein the cost of living is higher such as the New England, Middle Atlantic, and the Pacific States, and in the larger cities versus smaller cities and rural areas. Among States with the highest average annual pay per employee are Nevada, California, New York, Connecticut, and Washington.

3. By types of operation, chains show higher average pay roll per employee than independent stores in the same kind of business because store managers, whose salaries are higher than average, are included in the count of chain store employees whereas the corresponding heads of most independent stores, the proprietors, are not counted as employees nor is their compensation included in pay roll. Some 1,154,457 of the smallest stores employ only 347,686 employees but account for 1,168,929 or 72.4 percent of all proprietors. Practically all are independent, since the 123,195 chain stores of all sizes account for only 3,102 proprietors not on the pay roll.

Pay roll as reported in the census does not include the compensation, in whatever form it may be realized, of proprietors and the members of their families, except that of regular employees paid a fixed wage or salary who may happen to be members of proprietors' families. Proprietors' compensation may be in the form of regular drawing accounts or frequent withdrawals of cash or merchandise, or partly in the form of personal and household expenses paid as business expenses; but whatever its form or amount it is necessarily limited in fact to the operating profit of the business. Some indication of the value which proprietors attach to their services is

shown by tables 6K and 6L herein, wherein the average annual drawing account is \$1,238 and by kinds of business the variation is as much as \$768 for lunch counter proprietors and \$4,347 for department store proprietors.

**Full-time proportion.**—Full-time pay roll in retail stores in 1939 totaled \$4,210,768,000 as compared with \$318,731,000 of part-time pay roll. The latter, however, is more than double the \$156,682,000 of part-time pay roll in 1929.

The annual earnings of full-time employees averaged \$1,129 in 1939 compared with \$1,311 in 1929. Meanwhile they had dropped to \$19.56 per week or at the annual rate of \$1,017 in 1935. The latter is computed from the reported earnings of a representative week in October, since in 1935 the actual annual pay roll was reported in a single item without distinction between full-time or part-time employees.

**Largest pay rolls.**—Department stores lead all other kinds of business in the amount of annual pay roll. Kinds of business in each of which pay roll amounted to \$100,000,000 or more in 1939 include the following:

## KINDS OF BUSINESS WITH PAY ROLL EXCEEDING \$100,000,000 IN 1939

KIND OF BUSINESS	Pay roll-1939 (add 000)	Pay roll-1935 (add 000)	Pay roll-1929 (add 000)
Grocery stores (without fresh meats).....	\$110, 663	\$125, 802	\$183, 439
Combination stores (groceries-meats).....	354, 140	304, 006	254, 264
Dairy products stores, milk dealers.....	157, 970	114, 994	114, 610
Department stores.....	611, 706	468, 910	620, 990
Variety stores.....	121, 804	91, 295	95, 362
Women's ready-to-wear stores.....	132, 674	103, 047	134, 582
Furniture stores.....	146, 311	102, 065	196, 577
Motor-vehicle dealers (new).....	420, 588	314, 274	537, 205
Filling stations.....	198, 934	177, 128	159, 212
Lumber and building-materials dealers.....	177, 271	108, 801	222, 854
Eating places.....	405, 896	312, 232	396, 075
Drinking places.....	159, 689	101, 488	-----
Drug stores.....	172, 733	143, 354	195, 742
Fuel, ice, fuel-oil dealers.....	123, 783	106, 066	121, 347

**Pay roll by occupational groups.**—Based on the pay-roll analysis of a sample of 388,466 stores in all

kinds of business, for week ended October 21, 1939, or other representative week, full-time selling employees averaged \$21.82 per week, office and clerical employees \$20.75, managerial and supervisory employees \$43.34, and executives \$66.17. Waiters and waitresses, who look to gratuities or tips for the major portion of their earnings, averaged \$12.10 exclusive of such gratuities. Employees other than those mentioned above (delivery, stock room, housekeeping, mechanics, porters, etc.) averaged \$21.40 per week. The average for all classes of full-time store employees was \$23.67.

These rates for 1939 are substantially higher than for 1935 except for office and clerical employees, whose weekly average was the same in both years. No comparable data are available for 1929. The rates for 1939 and 1935 compare as follows:

WEEKLY WAGE BY OCCUPATIONAL GROUPS, 1939 AND 1935  
(See table 6E)

OCCUPATIONAL GROUP	SIZE OF SAMPLE				Average weekly wage per full-time employee	
	Number of full-time employees		Full-time pay roll (add 000)		1939	1935
	1939	1935	1939	1935		
<b>Total analyzed.....</b>	<b>2,681,877</b>	<b>2,641,041</b>	<b>\$63,475,958</b>	<b>\$51,660,716</b>	<b>\$23.67</b>	<b>\$19.56</b>
Executives and salaried corporation officers.....	73,365	107,342	4,854,552	5,277,424	66.17	49.16
Managerial and supervisory employees.....	186,607	( <sup>1</sup> )	8,088,468	( <sup>1</sup> )	43.34	( <sup>1</sup> )
Office and clerical employees.....	250,493	217,887	5,198,716	4,522,567	20.75	20.76
Selling employees.....	1,199,570	1,230,132	26,170,892	24,169,988	21.82	19.65
Waiters and waitresses.....	176,052	301,106	2,131,002	3,488,788	12.10	11.59
All other employees.....	795,790	784,574	17,032,328	14,201,949	21.40	18.10

<sup>1</sup> Divided in 1935 between executives and selling employees. Weekly wages in these classifications therefore not directly comparable between 1939 and 1935.

There are substantial differences between different kinds of business in the average weekly wages of similar classes of employees, due to wide variations in the nature of the duties and the degree of specialized training required. The differences are only partially reflected in broad totals, but are indicated by comparison of a few extremes as follows:

SUPERVISORY, SELLING, AND OFFICE WAGES COMPARED, BY SELECTED KINDS OF BUSINESS

[Average full-time weekly wage for one representative week]

KIND OF BUSINESS	Managerial and supervisory	Selling	Office and clerical
Average, all kinds of business.....	\$43.34	\$21.82	\$20.75
Grocery stores (without fresh meats).....	36.43	18.81	17.93
Combination stores (groceries-meats).....	39.46	20.22	17.81
Dairy products stores, milk dealers.....	43.06	35.35	24.81
Meat markets, fish markets.....	39.11	26.39	18.70
Department stores.....	59.19	20.00	19.82
Variety stores.....	50.41	13.03	18.95
Men's-boy's clothing stores (and furnishings).....	51.34	28.45	20.86
Women's ready-to-wear stores.....	45.46	18.64	19.38
Furriers, fur shops.....	57.46	30.64	22.78
Shoe stores.....	41.04	24.34	19.44
Furniture stores.....	51.44	29.38	20.92
Motor-vehicle dealers (new).....	42.09	28.71	21.83
Filling stations.....	31.60	21.06	19.25
Restaurants, cafeterias, lunchrooms.....	35.50	19.38	18.70
Soft drink, juice, ice cream stands.....	34.04	17.32	23.19
Drinking places.....	36.25	24.06	20.99
Drug stores.....	39.61	19.85	19.51
Jewelry stores.....	54.36	29.27	22.39
Opticians.....	58.25	35.66	21.23

**Pay roll by size of store.**—Analyzed by size of store based on the number of paid employees, total store pay roll is divided among the several size classes as follows:

PAY ROLL BY SIZE OF STORE BASED ON NUMBER OF EMPLOYEES  
(See tables 6H AND 6J)

NUMBER OF EMPLOYEES	PAY ROLL		Percent of sales	NUMBER OF EMPLOYEES	PAY ROLL		Percent of sales
	Amount (add 000)	Percent			Amount (add 000)	Percent	
All stores.....	\$4,529,499	100.0	100.0	6 or 7.....	\$372,065	8.2	7.7
100 or more.....	804,972	17.8	11.0	4 or 5.....	481,483	10.6	10.6
20 to 99.....	1,060,089	23.4	17.8	3.....	312,814	6.9	7.5
10 to 19.....	703,361	15.5	12.9	2.....	318,153	7.0	8.7
8 or 9.....	241,831	5.4	4.8	1 or fraction.....	234,731	5.2	8.8
				None.....			9.2

PAY ROLL BY SIZE OF STORE BASED ON DOLLAR SALES

SALES SIZE	PAY ROLL		Percent of sales	SALES SIZE	PAY ROLL		Percent of sales
	Amount (add 000)	Percent			Amount (add 000)	Percent	
All stores.....	\$4,529,499	100.0	100.0	\$30,000 to \$49,999..	\$531,378	11.7	12.1
\$300,000 and over....	1,370,695	30.3	23.4	\$20,000 to \$29,999..	356,096	7.4	8.3
\$100,000 to \$299,999..	937,853	20.7	18.9	\$10,000 to \$19,999..	422,083	9.3	13.0
\$50,000 to \$99,999....	722,894	15.9	15.2	Less than \$10,000..	208,500	4.6	9.1

It is obvious that the smaller proportion of pay roll in the smaller size classes is due to the proprietors and family members who work in the smaller stores in lieu of paid employees. The facts were presented previously herein under the subject of self-employment.

**Geographical distribution of pay roll.**—Distribution of pay roll by size of city is shown in table 12A herein, for the United States and for each geographic division separately. Total retail pay roll is shown for each city of more than 25,000 population in table 17A, for each city of 10,000 to 25,000 population in table 17B, for each metropolitan district in table 17C, and for each State in table 2B.

**TYPES OF OPERATION**

(Tables 3A, 3B and State Tables 3)

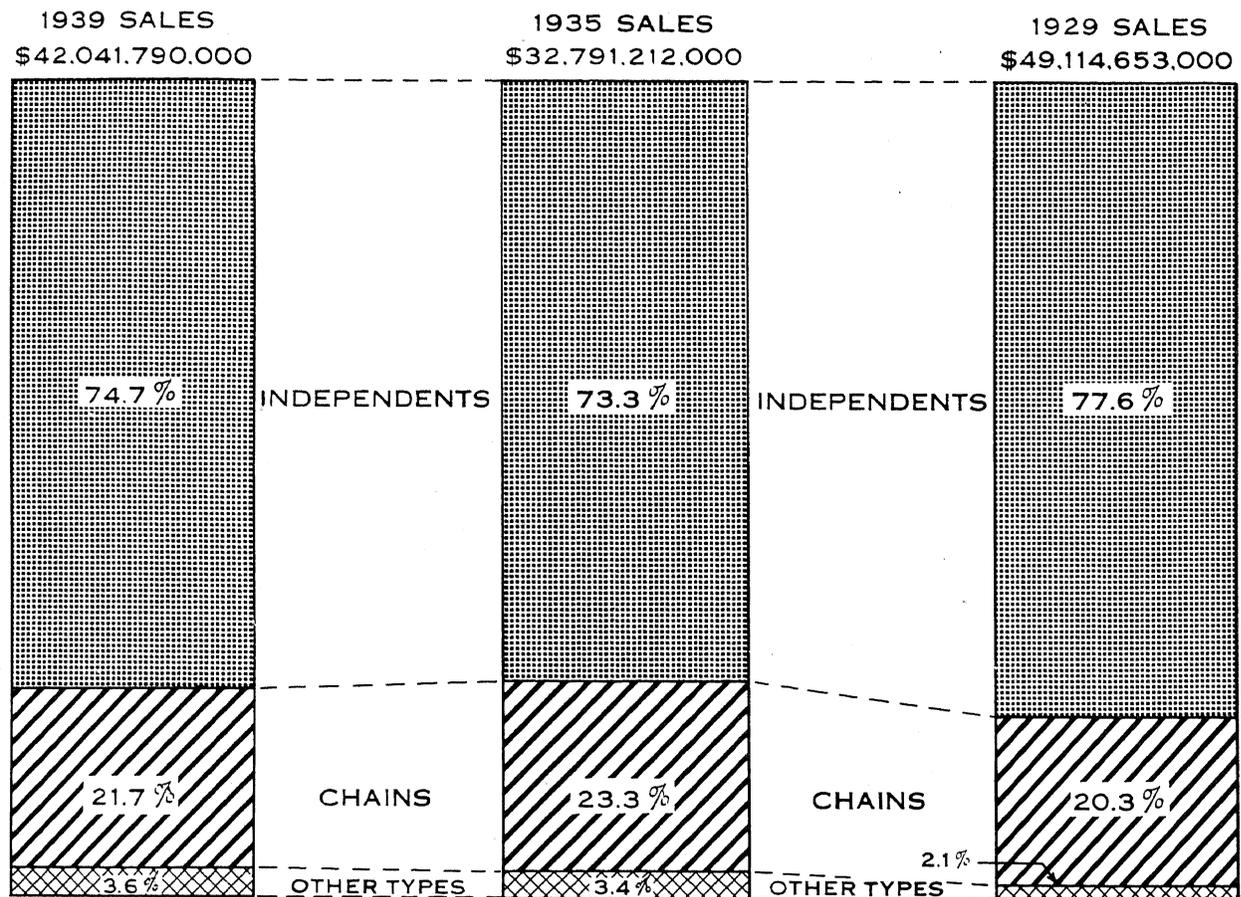
Principal types of operation in retail trade are independents, chains, and miscellaneous other types.

The *Independent* group includes single-store independents, multiunit independents with two or three stores, local branch systems consisting of a large downtown store and smaller suburban or nearby branches operated as a unit, market and roadside stands, and leased departments operated by independent operators. The latter are usually separate departments in stores of a different kind, such as meat departments in grocery stores, millinery departments in department stores, shoe departments in women's specialty stores, etc.

The *Chain* group includes local chains in which all units are located in and around a single city, sectional chains in which all units are located in the same section of the country, national chains which operate in more

## CENSUS OF BUSINESS

CHART 5. COMPARISON OF SALES OF INDEPENDENTS, CHAINS, AND OTHER TYPES: 1939, 1935, AND 1929



than one section or geographic division, manufacturer-controlled chains whose principal function is to distribute the products of one or more manufacturers who own and control them, and chains of leased departments. The latter differ from independent leased departments only in the number of units operated. All chains by definition consist of four or more stores in the same kind of business, owned and operated by a single individual, firm, or corporation.

The *Other types* group consists of utility-operated stores whose principal function is to sell and promote the use of household appliances which consume electricity or gas; direct selling or house-to-house retailers; commissaries or company stores; farmer and consumer cooperative stores; so-called State liquor stores which are owned and operated by States, counties, or municipalities; mail-order houses selling from catalog; and miscellaneous other types not otherwise classified.

**Independents and chains.**—Sales of independent stores in 1939 amounted to \$31,409,859,000 or 74.7 percent of the \$42,041,790,000 of total retail sales in the United States. Chains accounted for \$9,105,825,000 or 21.7 percent and other types accounted for the remaining \$1,526,106,000, or 3.6 percent. The

following summary shows the number of stores, sales, and inventory of these principal types of operation:

## INDEPENDENTS AND CHAINS COMPARED

[Stores, sales, and stock]

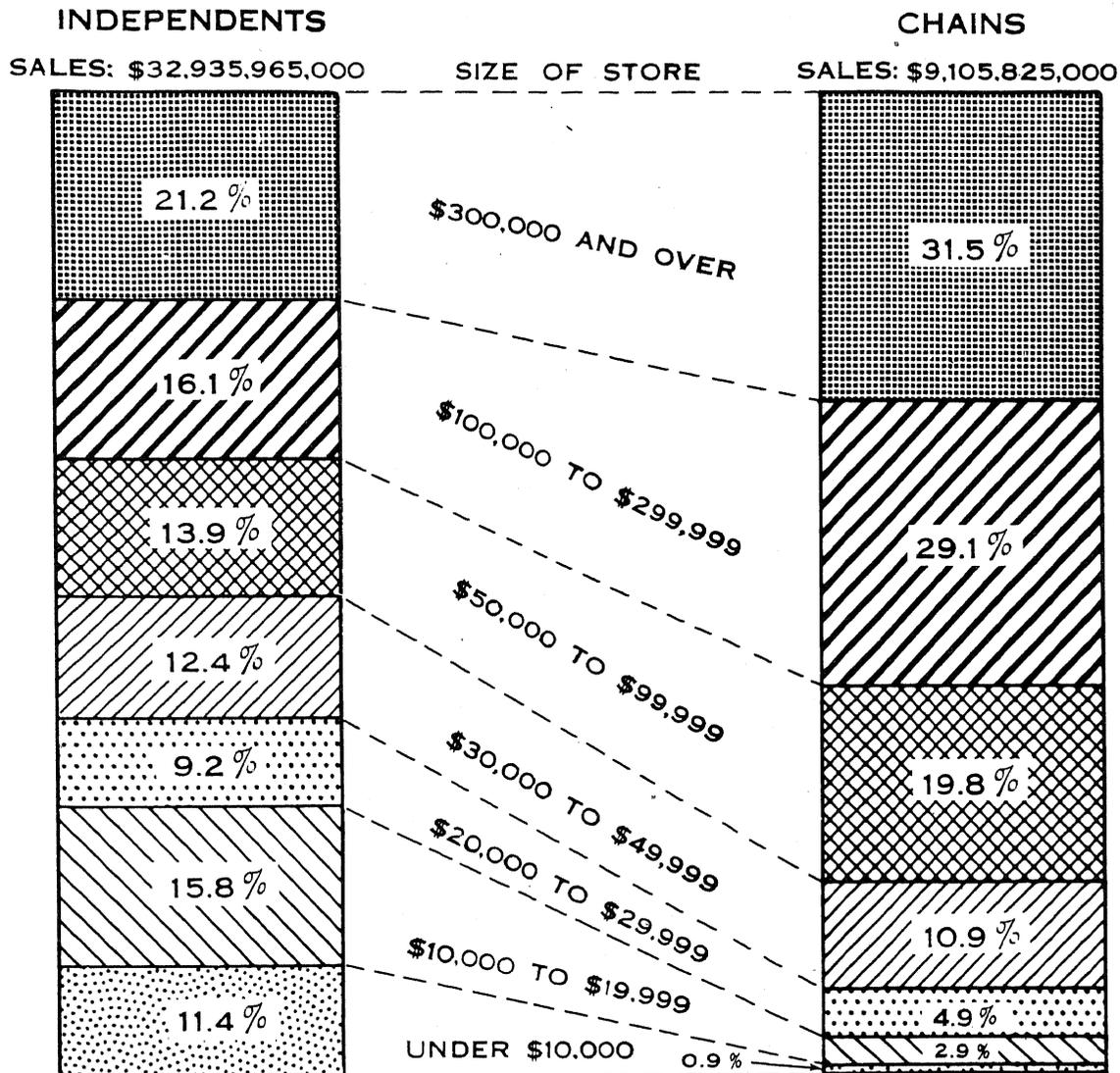
TYPE OF OPERATION	Number of stores	Sales (add 000)	Stocks on hand, end of year (add 000)	Percent of total sales		
				1939	1935	1929
<b>Total</b> .....	1,770,355	\$42,041,790	\$5,116,583	100.0	100.0	100.0
Independents.....	1,624,665	31,409,859	4,048,753	74.7	73.3	77.6
Chains.....	123,195	9,105,825	876,948	21.7	23.3	20.3
Other types.....	22,495	1,526,106	190,882	3.6	3.4	2.1

NOTE: For an analysis of types of operation by kinds of business see table 3C herein. For an analysis of kinds of business by types of operation see table 3A.

Independents outnumbered chains 13 to 1, and accounted for 1,624,665 or 92 percent of all retail stores. There were 123,195 units of chains, or 7 percent of all stores, and 22,495 other types or 1 percent. Annual sales of chain stores averaged \$73,914 compared with \$19,333 for independents. See table 3G for details.

Independents accounted for 74.7 percent of total sales in 1939. This compares with 73.3 percent for 1935 and 77.6 percent for 1929. The chain store sales

CHART 6. SALES OF INDEPENDENTS AND CHAINS  
BY SALES-SIZE GROUPS: 1939



ratio, on the other hand, increased from 20.3 percent in 1929 to 23.3 percent in 1935, and returned to 21.7 percent by 1939, about half way between the former extremes. The change in relative importance of other types of operation did not affect appreciably the proportions of these two major types. An analysis of independents by each independent type is shown in table 3D herein.

**Chain types compared.**—Sectional and national chains in 1939 operated more than three times as many stores as did local chains, and accounted for more than four times as much sales volume. This is a considerable change from the relative importance of these types 10 years before, when sectional and national chains operated less than twice as many stores and did less than twice as much business as local chains. The four types of chains compare as follows:

CHAIN TYPES OF OPERATION COMPARED. (See table 3F)

TYPE OF OPERATION	STORES		SALES (add 000)		PERCENT OF TOTAL RETAIL SALES	
	1939	1929	1939	1929	1939	1929
All chain types .....	123, 195	151, 712	\$9, 105, 825	\$9, 964, 547	21.7	20.3
Local chains .....	25, 455	52, 465	1, 581, 386	3, 293, 890	3.8	6.7
Sectional and national chains .....	82, 049	92, 141	6, 771, 009	6, 151, 337	16.1	12.6
Manufacturer-controlled chains .....	10, 123	3, 431	583, 062	389, 618	1.4	.7
Leased-department chains .....	5, 568	3, 675	170, 368	129, 702	.4	.3

**Other types compared.**—A significant increase in the sales importance of other types is partly concealed by the relatively small number of stores involved (only 22,495 in all) and their small sales ratios. Types of operation such as utility-operated stores, direct-selling, cooperatives, mail-order or catalog houses, and State liquor stores accounted for only 2.1 percent of total

sales in 1929 and 3.6 percent in 1939 but the increase in sales ratio in the decade was 71 percent. Cooperatives more than doubled their sales ratio, increasing from 0.24 percent to 0.53 percent of total retail sales. House-to-house selling nearly doubled in sales ratio, increasing from 0.19 percent to 0.37 percent. Commissaries increased by about one-half; mail-order houses and utility-operated stores increased their proportion of total sales moderately. A summary of the changes in the decade follows.

## OTHER TYPES OF OPERATION COMPARED

TYPE OF OPERATION	STORES		SALES (add 000)		PERCENT OF TOTAL SALES	
	1939	1929	1939	1929	1939	1929
<b>Total, other types.....</b>	<b>22,495</b>	<b>10,839</b>	<b>\$1,526,106</b>	<b>\$1,025,667</b>	<b>3.63</b>	<b>2.12</b>
Utility-operated stores.....	4,836	4,053	151,539	163,371	.36	.34
Direct selling (house-to-house).....	3,199	1,661	153,397	93,961	.36	.19
Commissaries or company stores.....	2,007	1,347	148,248	115,583	.35	.24
Farmer and consumer cooperative stores.....	3,698	1,709	224,375	116,995	.53	.24
Mail-order houses.....	434	271	537,413	515,237	1.28	1.07
State liquor stores.....	2,618	-----	249,430	-----	.59	-----
Other types of operation.....	3,703	1,798	61,704	20,520	.15	.04

**Stocks on hand.**—Of \$5,116,583,000 stocks held by retail stores at the end of the year, \$4,048,753,000 or 79 percent was attributable to independents, \$876,948,000 or 17 percent to chains and \$190,882,000 or 4 percent to other types. The fact that chains accounted for a smaller portion of stocks than of sales is at least partly explained by the fact that chains are predominantly in kinds of business where low stock-to-sales ratios are characteristic, such as the food and variety fields. These totals do not include stocks held by chains in central warehouses, which totaled \$167,122,000 additionally. Stocks are valued at cost and are as of the end of 1939.

**Employment by types of operation.**—As described elsewhere herein in more detail (see page 22 and tables 6H and 6J,) independents account for 3,322,447 of the 4,600,217 paid employees in all retail stores, 1,602,937 of the 1,613,673 proprietors, and all of the 923,878 unpaid family members. Chains account for 1,118,374 paid employees in stores and 111,335 in central offices and warehouses, as well as 3,102 proprietors. Other types account for the remaining 159,396 paid store employees and 7,634 proprietors. More detail on employment and pay roll is available in table 3A herein and in a later section on chains.

**Sales ratios of independents and chains, by States.**—The chain sales ratio varies greatly between States and between kinds of business within States, as shown by the State and city tables 3 included herein. For summary comparisons between States without regard to kinds of business, table 3B provides a convenient reference.

This table shows chain sales ratios, compared with a United States average of 21.7 percent, as high as

26.3 percent in Massachusetts, 26.6 percent in the District of Columbia, and between 24 and 25 percent in Rhode Island, Michigan, Pennsylvania, Missouri, Georgia, Utah, and California. Illinois with 32.5 percent is materially affected by the inclusion of mail-order houses in Chicago which necessarily are combined with chains to avoid disclosure of individual operations.

In contrast to these higher-than-average ratios are several States in which chain sales are far below the 21.7 percent average, such as Mississippi with only 10.9 percent, Arkansas with 14.4 percent, two other States in which the chain sales ratio is less than 17 percent (Wyoming and New Mexico), and six in which it is between 17 and 18 percent. The latter are Montana, North Dakota, Nebraska, Wisconsin, Nevada, and Alabama.

Data for a study of independents and chains by size of cities are contained in tables 12D and 12F herein.

**Sales ratios by kinds of business.**—The sales ratio of independents, which decreased from 77.6 percent of all retail sales in 1929 to 74.7 percent in 1939, nevertheless increased in some kinds of business, notably grocery stores without fresh meats, variety stores, family clothing stores, and filling stations. On the other hand, independents became less of a factor in such retail fields as combination food stores (groceries with fresh meat departments), department stores, shoestores, and to a lesser extent jewelry stores and women's ready-to-wear stores. A summary of some of the more pronounced changes follows.

## SALES RATIOS, INDEPENDENTS: 1939 AND 1929

KIND OF BUSINESS	Percent of total sales in same kind of business		KIND OF BUSINESS	Percent of total sales in same kind of business	
	1939	1929		1939	1929
Grocery stores (without fresh meats).....	67.0	53.6	Combination stores (groceries-meats).....	61.3	67.6
Variety stores.....	13.2	9.8	Department stores.....	58.2	72.1
Family clothing stores.....	82.1	71.5	Women's ready-to-wear stores.....	68.8	74.3
Filling stations.....	88.4	66.0	Shoe stores.....	41.2	53.5
Fuel, ice, fuel-oil dealers.....	84.6	80.1	Jewelry stores.....	89.0	93.0

The chain sales ratio increased in the 10 years from 32.2 percent to 38.4 percent for combination stores, from 16.7 percent to 30.0 percent for department stores, from 38.0 percent to 49.7 percent for shoe stores, and from 25.1 percent to 27.1 percent for cigar stores. The average for all kinds of business increased from 20.3 percent to 21.7 percent. In several kinds of business no direct comparisons are possible because the information for 1929 is not available, but the sales ratios for most kinds of business are shown in more detail in table 3A herein.

Grocery and combination stores compare for the years 1939, 1935, and 1929 as follows:

GROCERY AND COMBINATION STORES BY TYPES: 1939, 1935, AND 1929

TYPE OF OPERATION	NUMBER OF STORES			SALES (ADD 000)			PERCENT		
	1939	1935	1929	1939	1935	1929	1939	1935	1929
Grocery stores, total.....	200,303	188,738	191,876	\$2,225,435	\$2,202,607	\$3,449,129	100.0	100.0	100.0
Independents.....	179,335	165,381	154,757	1,491,473	1,349,675	1,848,733	67.0	61.3	53.6
Chains.....	20,093	22,702	35,369	720,427	843,849	1,576,252	32.4	38.3	45.7
Other types.....	875	655	1,750	13,535	9,083	24,144	.6	.4	.7
Combination stores, total.....	187,034	166,233	115,549	5,496,318	4,149,813	3,903,662	100.0	100.0	100.0
Independents.....	166,276	140,367	98,020	3,366,153	2,517,437	2,638,128	61.3	60.7	67.6
Chains.....	20,257	25,619	17,249	2,112,092	1,624,786	1,257,727	38.4	39.1	32.2
Other types.....	501	247	280	18,073	7,590	7,807	.3	.2	.2

**Retail chains.**—Chains as used throughout this report include local and sectional or national chains, manufacturer-controlled chains, and leased-department chains. These terms are described in the appendix. Basic data for chains (number of stores, sales, personnel, pay roll, and stocks) are shown in detail by kinds of business for each State separately and for the largest cities (over 500,000 population) in a series of State and city tables 3, herein. A summary for the United States is shown by kinds of business in table 3A and in one-line totals by States in table 3B elsewhere herein.

Chains as a major type of operation, and as defined in detail in the appendix hereto, do not include multi-unit organizations of special types separately classified as "Other types" because of their special significance—types such as utility-operated, direct-selling, cooperatives, State liquor stores, mail-order houses, etc. These other types may include groups of four or more stores under the same ownership and operation, which technically are chains but are shown separately for greater emphasis.

**Chain store organizations.**—To complete the analysis of chain store organizations, all groups of four or more stores among these "Other types" were separately tabulated and added to the "Chains" types. A summary of such organizations, analyzed by types of operation as used throughout this report, follows.

**Comparison with previous years.**—The 132,763 stores or retail units, as shown above for 1939, were operated by 6,969 chain store organizations. The latter number compares with 7,061 organizations in 1929, operating 159,638 retail units. A comparison of the principal data concerning these organizations, 1939, 1935, and 1929, appears on the next page.

**Principal changes since 1929.**—In the 10 years since 1929 the number of grocery and combination store units decreased nearly 25 percent and the number of filling station chain units decreased 65 percent, while the number of units in other kinds of business increased 7.8 percent. It is apparent that the decrease shown in the number of retail chain units is caused primarily by the abnormal situation affecting food stores and filling stations—the former a trend toward fewer and larger stores of the supermarket class, the latter a sub-

CHAIN STORE ORGANIZATIONS IN 1939 SUMMARIZED BY TYPES OF OPERATION

TYPE OF OPERATION <sup>1</sup>	Number of retail units	TOTAL SALES		Proprietors	Number of employees <sup>2</sup> (average for year)	Total pay roll <sup>2</sup> (add 000)	Stocks on hand at cost (add 000)
		Amount (add 000)	Percent of total				
Total (6,969 organizations).....	132,763	\$10,104,713	100.0	3,154	1,228,161	\$1,215,540	\$1,012,903
Local chains.....	25,455	1,581,386	15.6	2,081	192,943	207,430	143,462
Sectional or national chains.....	82,049	6,771,009	67.0	839	830,320	767,908	652,734
Manufacturer-controlled chains.....	10,123	583,062	5.8	36	70,414	91,781	65,823
Leased-department chains.....	5,568	170,368	1.7	146	24,697	22,987	14,929
Total chains (as shown in table 3A).....	123,195	9,105,825	90.1	3,102	1,118,374	1,090,106	876,948
Other types of multi-unit organizations:							
Utility-operated stores.....	3,984	115,065	1.1	.....	22,252	23,378	17,790
Direct selling (house-to-house).....	1,653	121,379	1.2	9	32,821	35,259	4,914
Commissaries or company stores.....	678	67,843	.7	5	5,559	6,711	7,319
Farmer and consumer cooperative stores.....	522	40,219	.4	.....	2,828	3,688	3,102
State liquor stores.....	2,323	240,712	2.4	.....	7,230	10,026	17,456
Mail-order houses.....	42	402,273	4.0	.....	37,278	44,839	84,927
Other types of operation.....	366	11,397	.1	38	1,819	1,533	447

<sup>1</sup> "Retail Trade by Types of Operation," 157 pages, obtainable from the Superintendent of Documents, Washington, D. C., as a separate report at 25¢.  
<sup>2</sup> Employees and pay roll include paid executives of corporations but not the number and compensation of proprietors of unincorporated businesses.

stantial withdrawal of oil companies from the retail field and the substitution of independently operated stations, selling the same brands formerly sold directly by the oil companies.

In comparison with the 10-year decrease in dollar sales for all retail trade of 13.0 percent, chain store organizations as a whole lost only 5.9 percent, which includes a loss to independents of 53.3 percent in filling station sales because of the change in policy mentioned above.

With the exception of the food and filling station fields, chain organizations in nearly every kind of business increased substantially in number and sales, and in the number of retail units operated, during the 4-year period from 1935 to 1939. Grocery and combination store chains increased in number of chains and sales, but decreased in number of units (stores) by one-sixth; while filling station chains increased slightly in number but declined nearly one-third in sales and 47 percent in the number of stations operated.

## CENSUS OF BUSINESS

SUMMARY COMPARISON OF CHAIN STORE ORGANIZATIONS: 1939, 1935, AND 1929

	1939	1935 <sup>1</sup>	1929
Number of chain store organizations.....	6,969	6,072	7,061
Number of retail units.....	132,763	139,773	159,638
Number of warehouses.....	1,176	( <sup>2</sup> )	( <sup>2</sup> )
Retail store sales (add 000).....	\$10,104,713	\$8,458,837	\$10,740,385
Percent of total retail sales.....	24.0	25.8	21.9
Warehouse sales at wholesale (add 000).....	\$64,295	( <sup>2</sup> )	( <sup>2</sup> )
Billings (at wholesale) to own stores through warehouse (add 000).....	\$2,467,428	\$1,864,221	\$1,929,681
Active proprietors of unincorporated organizations.....	3,154	( <sup>2</sup> )	( <sup>2</sup> )
Officers and employees—total.....	1,339,496	1,171,377	( <sup>2</sup> )
In stores.....	1,228,161	1,071,400	
Officers, central offices and warehouses.....	4,724		
Other employees, central offices and warehouses.....	106,611	99,977	
Pay roll—total (add 000).....	\$1,439,117	\$1,210,669	( <sup>2</sup> )
In stores (add 000).....	\$1,215,540	\$1,022,728	
Officers, central offices and warehouses (add 000).....	\$37,629		
Other employees, central offices and warehouses (add 000).....	\$185,948	\$187,941	
Accounts receivable at warehouses, end of year (add 000).....	\$7,444	( <sup>2</sup> )	( <sup>2</sup> )
Stocks, end of year, at cost (add 000).....	\$1,180,025	\$953,522	( <sup>2</sup> )
In stores (add 000).....	\$1,012,903	\$860,051	( <sup>2</sup> )
In warehouses (add 000).....	\$167,122	\$93,471	\$98,840

<sup>1</sup> Revised to exclude data for 7 garage chain organizations with 37 units and \$1,774,000 sales.

<sup>2</sup> Comparable data not available.

<sup>3</sup> Represents billings reported by 1,011 of the 1,176 warehouses. Based on number of employees, the billings of the 165 warehouses that were unable to report such data would increase this amount to approximately \$2,728,428,000. Not directly related to retail value of sales, which may include much merchandise not billed through warehouses.

**Most chains have increased.**—The table in the next column shows that, except for two kinds of business noted above, chains increased 17.9 percent in number, their retail units were expanded by 14.1 percent, and their sales by 25.8 percent between 1935 and 1939. The two kinds of chains which are exceptions are affected by forces unrelated to growth trends.

Most of the food chain stores which have disappeared in recent years have been disposed of or closed and usually replaced by a smaller number of supermarkets. Most of the filling stations which have disappeared as chain units have been transferred to independent operators and continue in operation. Because of the large number of such food stores and filling stations formerly operated by chains, inclusion of these in the chain totals has the effect of distorting the general over-all conclusions. Therefore, the last column in the table which follows is more nearly representative.

Elsewhere in this volume (table 20) is included a table analyzing the 132,763 units of the 6,969 chain-store organizations operating in 1939, by detailed kinds of business. Reference is made to this table for further

EFFECT OF TWO KINDS OF BUSINESS ON CHAIN-STORE TOTAL

	All chain-store organizations	Grocery and combination store chains	Filling station chains	All other chains
Number of chain organizations:				
1939.....	6,969	789	774	5,406
1935.....	6,072	775	710	4,587
1929.....	7,061	807	864	5,390
Percent change, 1939 vs. 1935.....	+14.8	+1.8	+9.0	+17.9
1939 vs. 1929.....	-1.3	-2.2	-10.4	+3
Number of retail stores of such organizations:				
1939.....	132,763	40,519	10,397	81,847
1935.....	139,773	48,440	19,629	71,704
1929.....	159,638	53,697	30,038	75,903
Percent change, 1939 vs. 1935.....	-5.0	-16.4	-47.0	+14.1
1939 vs. 1929.....	-16.8	-24.5	-65.4	+7.8
Store sales of chain organizations (add 000):				
1939.....	\$10,104,713	\$2,841,410	\$294,007	\$6,969,296
1935.....	8,458,837	2,484,298	432,849	5,541,690
1929.....	10,740,385	2,887,479	629,024	7,223,882
Percent change, 1939 vs. 1935.....	+19.5	+14.4	-32.1	+25.8
1939 vs. 1929.....	-5.9	-1.6	-53.3	-3.5

detail as to the 5,406 organizations with 81,847 units shown in the "All other chains" column above.

**Comparison of identical chains.**—Census reports on chain-store organizations in previous years have contained comparisons of identical chains, as well as the over-all comparisons. Each year the number of identical chains thus compared has been increased. On the basis of identical chains rather than total chain operations, comparisons show that the loss in sales volume between 1929 and 1933, the low year of the business depression, was 24.8 percent, that chains increased their business 21.9 percent from 1933 to 1935; and that in the 4 years from 1935 through 1939 they increased their sales an additional 18.8 percent. A summary follows below.

**Central offices and warehouses.**—The operation of central buying offices and warehouses of chain-store organizations is closely related to the retail field but such unrelated activities as separate wholesale houses, canneries or other factory operations, hotels, and construction enterprises do not come within the scope of the Retail Census.

Frequently stores are operated in kinds of business other than the principal business of the organization; for example, grocery stores (without fresh meats) are often operated by combination store (groceries and meats) chains, and general merchandise stores by department-store chains. Moreover, secondary store operations may be classified in some instances as "other

COMPARISON OF IDENTICAL CHAINS

	1939	1935	1935	1933	1933	1929
Number of identical chains.....	3,749	3,749	3,495	3,495	517	517
Number of units.....	108,892	114,544	120,194	133,776	61,161	62,011
Store sales (add 000).....	\$8,954,401	\$7,536,055	\$7,536,770	\$6,180,684	\$3,846,847	\$5,117,368
Percent change.....	+18.8		+21.9		-24.8	
Employees, average number.....	1,090,228	954,448	953,190	884,705	526,477	521,656
Store pay roll (add 000).....	\$1,068,110	\$894,025	\$914,883	\$764,621	\$428,041	\$506,118
Pay roll per \$100 of store sales.....	\$11.93	\$11.86	\$12.14	\$12.37	\$11.13	\$9.89
Average sales per chain.....	\$2,388,477	\$2,010,151	\$2,156,443	\$1,768,436	\$7,440,710	\$9,898,197
Average sales per unit.....	\$82,232	\$65,792	\$62,705	\$46,202	\$62,897	\$82,524



VALUE OF GOODS BILLED TO OWN STORES THROUGH 322 WAREHOUSES

[At wholesale value, related to store sales at retail values]

KIND OF BUSINESS	Number of chains	Number of warehouses	Warehouse pay roll (add 000)	Value of goods billed to own stores (at wholesale) (add 000)	Stocks at cost end of year (add 000)	RETAIL STORES OPERATED	
						Number	Sales at retail (add 000)
<b>Total, 167 chains</b>	<b>167</b>	<b>322</b>	<b>\$22,794</b>	<b>\$868,400</b>	<b>\$68,657</b>	<b>16,354</b>	<b>\$3,447,869</b>
Grocery and combination store chains	47	94	12,387	416,888	21,603	808	599,897
Other food chains	7	10	609	19,389	1,424	381	45,909
General store chains	5	7	114	5,440	771	141	18,701
Department store chains	6	30	2,975	166,497	15,967	3,226	1,522,471
Variety store chains	20	24	1,684	43,515	8,286	4,725	765,296
Other general merchandise store chains	4	4	35	1,104	251	41	3,726
Apparel chains (except shoe chains)	4	5	11	1,108	56	87	2,219
Shoe chains	10	10	538	49,024	3,152	1,639	83,599
Auto accessory chains	8	21	634	21,065	3,630	611	49,638
Lumber—building—hardware chains	4	4	112	2,905	470	103	8,345
Restaurant, lunch counter chains	14	43	422	6,709	583	583	38,391
Drug store chains	28	42	2,466	92,894	9,673	1,802	222,760
Cigar store chains	3	4	600	38,823	2,047	974	56,544
Other kinds of chains	7	24	207	13,034	744	1,233	30,373

VALUE OF GOODS BILLED TO OWN STORES THROUGH 689 WAREHOUSES

[No retail sales figures available. Pay roll includes also central offices operated in same establishments—no separation possible]

KIND OF BUSINESS	Number of chains	Number of warehouses	Pay roll warehouse and central office (add 000)	Value of goods billed to own stores (at wholesale) (add 000)	Stocks at cost, end of year (add 000)
<b>Total, 536 chains</b>	<b>536</b>	<b>689</b>	<b>\$72,498</b>	<b>\$1,599,028</b>	<b>\$88,683</b>
Grocery and combination store chains	149	253	47,595	1,196,745	55,583
Other food chains	28	28	997	21,598	790
General store chains	9	9	268	2,932	383
Department store chains	7	7	530	6,113	729
Variety store chains	27	27	1,112	6,554	991
Other general merchandise store chains	16	19	476	6,087	572
Apparel chains (except shoe chains)	86	87	5,238	81,352	2,881
Shoe chains	46	46	3,973	17,080	4,762
Furniture—radio chains	12	24	1,420	17,199	1,705
Auto accessory chains	23	23	1,282	15,072	1,963
Lumber—building—hardware chains	20	20	513	4,454	535
Restaurant, lunch counter chains	16	23	822	3,815	190
Drug store chains	57	61	3,206	44,566	5,608
Liquor store chains	20	31	4,504	108,537	8,645
Cigar store chains	5	5	72	488	21
Other kinds of chains	15	26	490	12,436	3,310

many stores in New York State. Other tables herein show the number of chain store units operated in each State, county, and city, and the kinds of business conducted therein.

**Ownership groups of department stores.**—Related to chains, but lacking the chain characteristic of central merchandising, are thirteen groups of department stores classified as ownership groups. They are not reported as a separate type because they are not operated uniformly, nor are the stores within a group uniform as to policies, price classes, consumer credit practices, or even sources of supply of merchandise. Each store has its own staff of buyers, in addition to the group's central buyers.

Ownership groups are similar in many respects to the holding companies, characteristic of the utilities field.

DOMICILE OF CHAIN STORE ORGANIZATIONS, BY STATES

STATES	Number of organizations	Number of retail units	Sales (add 000)	STATES	Number of organizations	Number of retail units	Sales (add 000)
<b>United States, total</b>	<b>6,969</b>	<b>132,763</b>	<b>\$10,104,713</b>	Nebraska	87	1,084	32,021
Alabama	51	787	43,439	Nevada	3	31	3,690
Arizona	20	132	13,187	New Hampshire	14	147	8,735
Arkansas	48	453	17,204	New Jersey	158	2,581	102,779
California	525	10,409	774,565	New Mexico	11	60	2,633
Colorado	64	466	23,743	New York	915	38,706	3,448,216
Connecticut	92	954	69,711	North Carolina	98	1,095	65,639
Delaware	9	111	5,634	North Dakota	16	145	4,618
District of Columbia	38	608	50,437	Ohio	493	13,018	767,910
Florida	86	730	45,605	Oklahoma	113	1,258	48,859
Georgia	126	1,807	91,233	Oregon	56	746	38,701
Idaho	24	325	14,491	Pennsylvania	491	9,171	600,848
Illinois	520	9,664	1,686,682	Rhode Island	41	275	32,819
Indiana	161	1,896	84,959	South Carolina	55	500	20,799
Iowa	131	1,597	67,871	South Dakota	21	153	6,636
Kansas	127	1,135	39,023	Tennessee	105	1,525	56,999
Kentucky	63	768	26,860	Texas	356	3,924	199,765
Louisiana	93	1,230	48,013	Utah	47	494	24,771
Maine	33	293	16,521	Vermont	18	134	6,529
Maryland	88	1,071	45,904	Virginia	88	1,053	71,741
Massachusetts	327	7,204	433,006	Washington	89	1,119	59,735
Michigan	310	4,368	382,269	West Virginia	69	619	39,628
Minnesota	165	2,680	134,697	Wisconsin	145	1,365	60,971
Mississippi	30	291	9,198	Wyoming	13	94	3,251
Missouri	308	4,026	253,589				
Montana	28	461	18,579				

They were created by taking over old-established department stores under various names, usually but not always continuing the names under which the stores were known locally. The holding company may own all or merely the controlling stock of the separate corporations under which the various stores are operated, or may hold title to the stores without an intermediate corporation.

In two groups the names of most of the stores have been changed to that of the holding company, but even in these groups some stores are still known locally under the old names. In the other groups the old store names have been retained. No ownership group operates all of its stores under a single name. There is no common denominator except stock ownership, and the stores are generally regarded as local enterprises.

**Stores separately merchandised.**—The principal difference between an ownership group and a chain is that the first represents centralized financial control and the second centralized merchandising and operating control. Standardization of merchandise, central buying by a staff of chain buyers in contrast to individual store buying, limitation of price appeal in all stores to a definite stratum of consumers in contrast to the variety of price appeal found in the various stores of an ownership group, and uniform cash or credit or cash-credit policy mark the principal characteristics of a chain in contrast to an ownership group.

Essentially, the units of a chain are outlets for mass purchases; in contrast, the stores of an ownership group are not "outlets" at all, have not the obligation to dispose of centrally-bought merchandise which may or may not meet local needs, and are free to buy what the trade of each store wants, as interpreted by the store's

buying staff. Determined and costly efforts have been made by ownership groups to substitute central buyers for their armies of local store buyers, without success. Today not more than 5 to 10 percent of the merchandise sold in the stores of ownership groups is centrally bought, and much of this is negotiated and selected by committees of store buyers rather than by separate central-office buyers.

**Transition since 1929.**—There were 14 ownership groups in 1929 of which 1 was dissolved before 1933, most of the stores having been sold back to former owners. The remaining 13 groups have continued since. They operated 129 stores in 1933, 130 stores in 1935 (5 of which, belonging to one group, failed to report in 1935), and 148 stores in 1939. Of 23 stores added since 1935, 17 are suburban branches, 2 are new downtown stores in large cities, and 4 are established stores acquired by one large group. Five stores were disposed of during this time.

The following is a summary of the changes between census years in the number of stores of ownership groups:

	Groups	Stores		Groups	Stores
1929—total.....	14	135	1935—total.....	13	130
Group dissolved.....	1	4	Stores disposed of.....		5
Stores disposed of.....		7	Existing stores acquired.....		4
Stores added.....		5	Downtown stores added.....		2
1933—total.....	13	129	Suburban branches added.....		17
Stores disposed of.....		10	1939—total.....	13	148
Stores added.....		11			

**Identical groups compared.**—It is possible to make direct comparisons between the years 1929, 1933, and 1935 for 109 identical stores. Three of these stores were disposed of between 1935 and 1939, and it is not now possible to adjust 1929 and 1933 totals to include only the 106 remaining stores. Therefore the 106 identicals are reported separately for 1935 and 1939.

The composite comparative summary—stores, sales, credit sales, employment, pay roll, and stocks for the four census years follows.

COMPARISON OF OWNERSHIP GROUPS: 1939, 1935, 1933, and 1929

	Groups	Stores	Sales (add 000)	Credit sales (add 000)	Employees (full-time part-time)	Pay roll (add 000)	Stocks end of year (add 000)
1939.....	13	148	\$824,065	\$402,021	121,772	\$150,189	\$101,220
Identical (1935-39).....	12	106	764,809	370,415	113,144	139,537	91,970
Others <sup>1</sup> .....	1	42	59,256	31,606	8,628	10,652	9,250
1935.....	12	125	717,407	292,375	113,473	121,241	94,515
Identical (1933-35).....	12	109	681,362	271,391	108,095	115,685	88,718
Identical (1935-39).....	12	106	667,762	268,329	105,498	113,380	86,504
Disposed of (1935-39).....		3	13,600	3,062	2,597	2,305	2,214
Others.....		16	36,045	20,984	5,378	5,556	5,797
1933.....	13	129	645,342	280,143	110,107	113,975	95,489
Identical (1929-33).....	12	109	598,163	284,381	103,987	105,886	87,105
Others.....	1	20	47,179	25,762	6,120	8,089	8,384
1929.....	14	135	1,003,603	442,242	128,248	161,442	133,008
Identical.....	12	109	952,333	420,012	121,219	153,638	128,989
Others.....	2	26	51,270	22,230	7,029	7,764	9,019

<sup>1</sup> Includes data for one group of five stores which did not report for the 1935 Census.

LEGAL FORMS OF ORGANIZATION

(Tables 4A to 5B)

All stores are classified according to the legal form of organization under which the business is operated. The four principal forms are individual proprietorships, partnerships, cooperative associations, and corporations.

Of the 1,770,355 stores in operation in 1939, more than 76 percent were sole proprietorships owned by individual entrepreneurs. This form of organization accounted for 1,357,403 stores with sales of \$16,524,970,000 or 39.3 percent of all retail sales, an average of \$12,174 per store. There were nearly as many proprietors as stores, since nearly all are single-store operations. In addition to proprietors and unpaid family members, these stores employed 1,629,636 full-time and part-time employees to whom was paid \$1,255,330,000 in salaries and wages. The pay roll does not include the compensation of proprietors or family members. It is of interest that 1,253 of these proprietors, operating 10,567 stores, are classified as chain store operators.

Partnerships of 2 or more individuals operate 189,631 stores, or 10.7 percent of all stores, with total sales of \$5,198,901,000 or 12.4 percent of all retail sales. The average size per store is \$27,416. Active proprietors who devote the majority of their time to these stores total 323,458 or nearly 2 to a store. They employ 481,313 full-time and part-time employees to whom was paid a total of \$413,995,000 in salaries and wages (which is in addition to proprietors' compensation).

Some 210,570 stores were organized as corporations or owned by corporations. Their sales in 1939 totaled \$19,810,302,000 or 47.1 percent of total retail sales, nearly 20 percent more than the total amount of business of the 1,357,403 stores of individual proprietorships. The corporations employ 2,453,828 full-time and part-time employees and their total pay roll in 1939 was \$2,824,095,000. Officers and executives, who correspond approximately to proprietors in stores which are organized as proprietorships or partnerships, are included in the count of employees and their compensation is included in pay roll.

Cooperative associations operated 3,230 stores with total sales of \$144,723,000, or one-third of 1 percent of total retail sales and employed 12,709 full-time and part-time employees to whom was paid a total of \$12,549,000 in salaries and wages. Cooperative associations are a special form of organization partaking of the characteristics of both corporations and partnerships, usually with strictly limited liability. The laws of many States provide for this form of cooperative and give it practically the status of a nonprofit corporation in which the financial liability of members is limited to the amount invested in shares or certificates, and does not extend to liability for debts incurred by the association beyond its ability to pay. To this extent it differs

CENSUS OF BUSINESS

from a partnership, in most of which the liability of partners is unlimited as against innocent third parties for value. The majority of stores operated by this special form of cooperative association are rather sharply limited to food stores, general stores (with food),

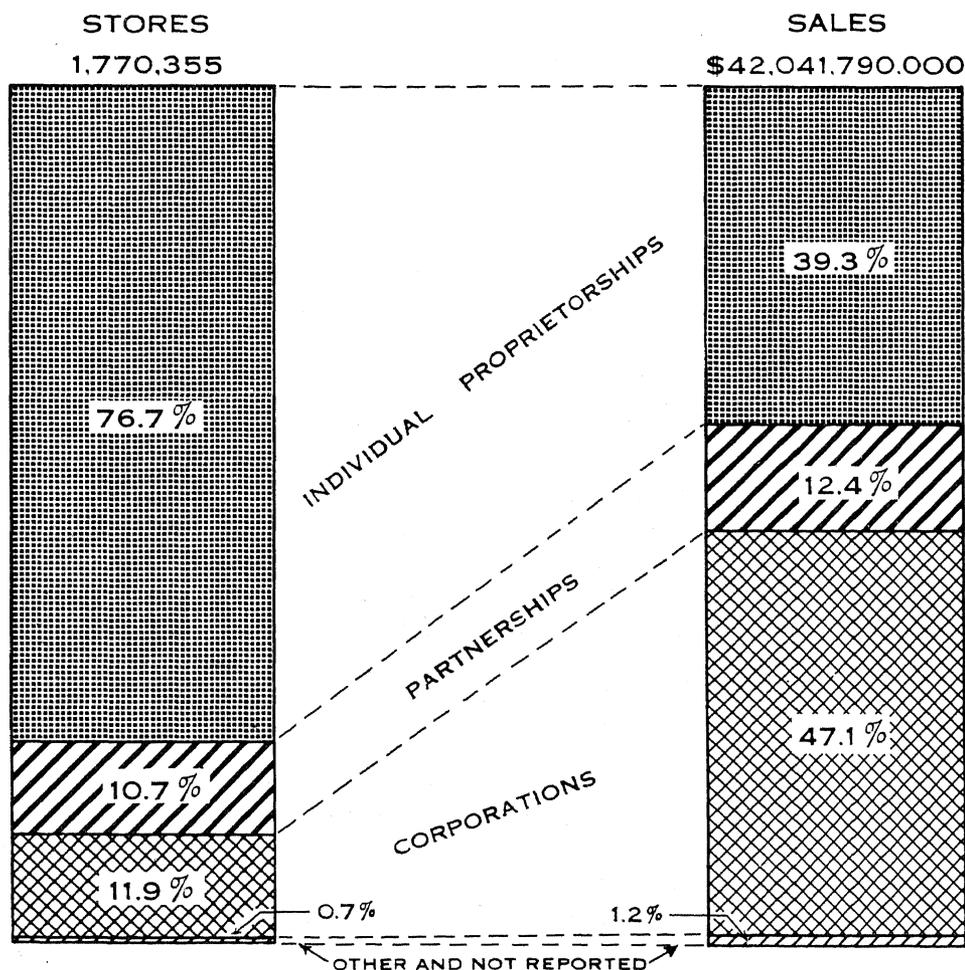
filling stations, lumber and building-materials dealers, hardware stores, eating and drinking places, and feed and farm supply stores.

Below is a summary of all retail stores analyzed according to legal forms of organization:

LEGAL FORMS OF ORGANIZATION, 1939  
STORES, SALES, PERSONNEL, AND PAY ROLL

LEGAL FORM OF ORGANIZATION	Number of stores	Sales (add 000)	Active proprietors	NUMBER OF EMPLOYEES			PAY ROLL (ADD 000)		
				Total	Full-time	Part-time	Total	Full-time	Part-time
<b>United States total</b> .....	<b>1,770,355</b>	<b>\$42,041,790</b>	<b>1,613,673</b>	<b>4,600,217</b>	<b>3,730,932</b>	<b>869,285</b>	<b>\$4,529,499</b>	<b>\$4,210,768</b>	<b>\$318,731</b>
Individual proprietorships.....	1,357,403	16,524,970	1,284,835	1,629,636	1,311,968	317,668	1,255,330	1,148,343	106,987
Partnerships.....	189,631	5,198,901	323,458	481,313	399,906	81,407	413,995	385,978	28,017
Cooperative associations.....	3,230	144,723	.....	12,709	10,613	2,096	12,549	11,898	651
Corporations.....	210,570	19,810,302	.....	2,453,828	1,989,148	464,680	2,824,095	2,642,213	181,882
Other forms or not reported.....	9,521	362,894	5,380	22,731	19,297	3,434	23,530	22,336	1,194

CHART 7. STORES AND SALES, BY LEGAL FORMS OF ORGANIZATION: 1939



**Kinds of business.**—Elsewhere in this volume (table 5A) is an analysis by kinds of business of the stores classified as individual proprietorships, partnerships, corporations, cooperative associations, and other forms. The so-called “other forms” are primarily special kinds of organization provided by the laws of certain States, and are not strictly corporations nor partnerships; typical of these are Massachusetts trusts.

**By States.**—An analytical table herein shows the

number of stores in each State which are operated by corporations in comparison with those operated by proprietorships and partnerships, and also by cooperative associations. There are wide differences between States in the popularity of the corporate form of organization, and in the relative importance of partnerships and individual proprietorships. Reference is made to table 5B herein for data on these differences.

**STOCKS ON HAND (INVENTORIES)**

(Tables 7A and 7B)

Stocks of merchandise on hand for resale at the end of 1939 totaled \$5,116,583,000, about 2 billion dollars lower in dollar value than the inventories at the end of 1929 when the value of goods on hand was \$7,199,656,-000. Stocks are reported at cost, not at retail value.

Although a part of the 2 billion dollar reduction in the 10-year period is attributable to the lower level of retail prices, this factor does not fully cover the difference. It is apparent that retailers were operating in 1939 at a more rapid rate of turn-over than in 1929 or in 1935. Accurate turn-over figures require that both the sales and the opening and closing inventories be expressed in like values, either cost or retail. No data on the retail value of stocks are available, nor do the census schedules call for the cost value of goods sold, or mark-up.

**Sales-stock ratios, 1939.**—Another method of expressing the speed of turn-over, when both factors are not expressed in the same values, is by the use of sales-stock ratios—the relation of sales at retail to stocks at cost. On this basis the inventory at the end of 1939 represents a sales-stock ratio of 8.2, comparable to ratios of 7.7 for 1935 and 6.7 for 1929.

The relation of sales to stocks varies greatly between different kinds of business, and moderately between States, the latter being influenced primarily by the distance from principal markets. It is apparent that the sales-stock ratio of food stores would vary less, for instance, than the ratio of hardware, furniture, or department stores, the majority of whose merchandise is not locally produced in most sections of the country and therefore must be received and stocked in larger quantities in more distant States than in States near the principal sources of supply. The farther a store is from its sources of supply, the more investment is required in merchandised stocks in proportion to sales. The effect of the nearness of food supplies to the stores in such States as Maryland, Massachusetts, and Illinois is apparent in the sales-stock ratios of those States, as compared with a State like North Dakota whose products are highly specialized and largely shipped out of the State, requiring the importation of much of the food consumed within the State and consequently a lower sales-stock ratio.

Below is a summary comparison of sales-stock ratios in selected kinds of business, which illustrates typical differences caused by the nature of the business, followed by a similar comparison by States which illustrates typical differences caused by geographic location or varying distances from principal markets.

**SALES-STOCK RATIOS: 1939**

SALES COMPARED WITH STOCKS (AT COST, END OF YEAR)

SELECTED KINDS OF BUSINESS				SELECTED STATES			
Kind of business	Sales (add 000)	Stocks, end of year (add 000)	Sales-stock ratio	State	Sales, (add 000)	Stocks, end of year (add 000)	Sales-stock ratio
Total, all stores.....	\$42,041,790	\$5,116,583	8.2	Total, all stores.....	\$42,041,790	\$5,116,583	8.2
Filling stations.....	2,822,495	99,401	28.4	Maryland.....	619,273	61,590	10.1
Food group.....	10,164,967	589,938	17.2	Massachusetts.....	1,737,680	176,600	9.8
Liquor stores (packaged goods).....	586,351	66,203	8.9	Illinois.....	2,857,646	337,898	8.5
Automotive group.....	5,548,687	554,960	10.0	California.....	3,187,809	383,765	8.3
Department stores.....	3,974,998	561,493	7.1	New York.....	5,578,159	679,706	8.2
Variety stores.....	976,801	139,654	7.0	Washington.....	668,790	81,527	8.2
Drug stores.....	1,562,502	304,883	5.1	Florida.....	614,464	76,748	8.0
Apparel group.....	3,258,772	674,674	4.8	Pennsylvania.....	3,133,377	398,864	7.9
Furniture—household—radio group.....	1,733,257	366,761	4.7	Texas.....	1,803,716	235,126	7.7
General stores (with food).....	810,342	174,130	4.7	Colorado.....	409,103	53,065	7.7
Dry goods and general merchandise stores.....	713,208	221,031	3.2	Minnesota.....	1,017,195	135,986	7.5
Jewelry stores.....	361,595	162,599	2.2	North Dakota.....	156,137	27,234	5.7

Data in more detail by kinds of business are available in table 7A herein, which shows the cost value of stocks on hand at the end of 1939 in relation to sales during 1939 and also, on a major sample basis, the relation between stocks at the end of 1939 and stocks at the beginning of the year 1939.

Table 7B provides the same information by States combining all kinds of business in one-line totals for each State. Comparable data are available for 1935 and for 1929 in Retail Census reports for those years.

**Stocks at beginning and end of year.**—A comparison of stocks at the beginning and end of 1939 was compiled

on a major sample of 372,772 stores whose sales of \$29,637,835,000 represent 70.5 percent of total retail sales.

These stores reported an opening inventory of \$3,653,940,000 at cost values, and a closing inventory (end of 1939) of \$3,829,975,000. The increase for the year was \$176,035,000 or 4.8 percent, which is considerably less than the estimated ratio of sales increase for the year (census data for 1938 are not available).

Reference is made to table 7A herein for detailed comparisons of opening and closing inventories by kinds of business.

CREDIT SALES AND RECEIVABLES

(Tables 8A to 9D, Inclusive)

**Cash-credit sales.**—Based upon the proportions established by major samples as described below, it appears that credit sales in 1939 totaled \$14,372,000,000, or 34.2 percent of total retail sales. Sales for cash constituted the remaining 65.8 percent, or \$27,669,790,000, of which little more than one-half was done in all-cash stores.

About one-half of all stores in 1939 did their business entirely for cash, but their sales constituted only 35.5 percent of total retail sales. Stores which extend credit almost invariably sell also for cash and their sales of \$27,117,000,000 form 64.5 percent of total retail sales. Of the \$27,117,000,000 of their sales, 47 percent is cash sales and 53 percent is credit sales. The cash sales in these cash-credit stores, added to the cash sales in all-cash stores, totaled the \$27,669,790,000 or 65.8 percent of total retail sales for cash referred to above.

These projections are determined from an analysis of 1,609,450 stores or 90.9 percent of all stores included in 1939 Census, with sales of \$39,405,384,000 or 93.7 percent of all sales. The remaining stores failed to report a cash-credit analysis of their sales, making it necessary to resort to projections based upon this major sample.

The census sought to determine, by appropriate inquiries on the schedules, the amount of retail business done on credit, how much of the credit extended by retailers was on open-account, and how much was in the form of installment credit.

The schedules further called for an analysis of installment sales to show the down-payment and the amount payable in installments. Another inquiry asked for the total of accounts receivable on the books of retailers at the end of 1939, and how much of the total was in the form of retail installment notes held by retailers (excluding those sold to finance companies and to banks which purchase consumer paper).

Not all retailers were able to report credit sales separately from cash sales. The number reporting a break-down as between open-account and installment sales was even smaller. Many who reported installment sales failed to report installment receivables, leaving in doubt the fact of whether they sold all their installment paper to finance companies or omitted the amount through oversight.

The stores and sales included in the analysis, and the indicated totals when the same proportions are applied to the remaining 9.1 percent of stores and 6.3 percent of sales, are presented in the following summary:

CASH-CREDIT ANALYSIS OF TOTAL SALES: 1939

	Stores analyzed	Per cent	Stores for which no analysis is available	Indicated totals
Number of stores.....	1,609,450	90.9	160,905	<sup>1</sup> 1,770,355
All-cash stores.....	822,695	51.1	-----	904,655
Cash-credit stores.....	786,755	48.9	-----	865,700
Sales—cash and credit.....	(Add 000) \$39,405,384	93.7	(Add 000) \$2,636,406	(Add 000) \$42,041,790
In all-cash stores.....	14,000,497	35.5	-----	14,924,790
In cash-credit stores.....	25,404,887	64.5	-----	27,117,000
Cash sales in cash-credit stores..	11,948,694	47.0	-----	12,745,000
Credit sales in cash-credit stores.	13,456,193	53.0	-----	14,372,000
Sales summary.....	39,405,384	100.0	-----	42,041,790
Cash sales in all stores.....	25,949,191	65.8	-----	27,669,790
Credit sales in all stores.....	13,456,193	34.2	-----	14,372,000

<sup>1</sup> Actual total, all stores, per retail census for 1939.

**Comparison with previous years.**—These ratios of cash and credit sales are almost identical with those of 10 years ago (1929) and compare with intervening years as follows:

CASH-CREDIT RATIOS COMPARED: 1939, 1935, 1933, AND 1929

YEAR	Total sales (millions)	CREDIT SALES		CASH SALES	
		Amount (millions)	Percent	Amount (millions)	Percent
1939.....	\$42,042	\$14,372	34.2	\$27,670	65.8
1935.....	33,011	10,640	32.2	22,371	67.8
1933.....	25,037	6,944	27.7	18,093	72.3
1929.....	49,115	16,790	34.3	32,325	65.7

**Break-down of credit sales.**—Although more than 90 percent of all stores reported an analysis of their sales as between cash and credit, the number reporting a further analysis of credit as between open-account and installment or time sales was much smaller.

Of the indicated 865,700 cash-credit stores, 258,241 provided a break-down of their credit sales. Of their \$21,081,721,000 of total sales \$11,913,125,000 was credit, and of their credit sales 66.9 percent was sold on open-account and 33.1 percent was sold on the installment or time-payment plan.

The stores and credit sales included in this further analysis, together with the amount and proportion of open-account and installment sales reported by them, and the indicated totals computed on the ratios reported, are shown in the following summary:

OPEN-ACCOUNT—INSTALLMENT ANALYSIS OF CREDIT SALES

	Stores analyzed	Per cent	Indicated totals
Number of credit stores (sample).....	258,241	-----	865,700
Total sales of such stores (add 000).....	\$21,081,721	-----	\$27,117,000
Credit sales of such stores (add 000).....	11,913,125	100.0	14,372,000
Open-account sales (add 000).....	7,965,264	66.9	9,602,000
Installment sales (add 000).....	3,947,861	33.1	4,770,000

The installment sales shown above were reported by 60,525 stores, whose total sales of \$9,655,857,000 included \$5,980,731,000 of credit sales. In these 60,525 installment credit stores the relative importance of open-account and installment credit is reversed, with installment sales constituting nearly two-thirds of total credit sales.

The stores reporting installment sales, together with the amount and proportion of open-account and installment sales reported by these installment credit stores, are as follows:

ANALYSIS OF INSTALLMENT SALES (MAJOR SAMPLE)

	Stores analyzed	Percent
Number of credit stores reporting installment sales.....	60,525	
Total sales of such stores (add 000).....	\$9,655,857	
Credit sales of such stores (add 000).....	5,980,731	100.0
Open-account sales (add 000).....	2,032,870	34.0
Installment sales (add 000).....	3,947,861	66.0

**Comparison with previous years.**—The ratios of open-account and installment sales shown by the 258,241 credit stores reporting a break-down of their credit sales, if accepted as representative also of the remaining credit stores, indicate a moderate increase in the proportion of open-account credit since 1929, with less installment credit than in that year but a higher proportion than in 1935. Comparisons with previous censuses follow:

YEAR	Total sales (millions)	CREDIT SALES			CASH SALES		
		Total		Open-account (percent)	Installment (percent)	Total	
		Millions	Percent			Millions	Percent
1939.....	\$42,042	\$14,372	34.2	22.8	11.4	\$27,670	65.8
1935.....	33,011	10,640	32.2	21.3	10.9	22,371	67.8
1929.....	49,115	16,790	34.3	21.3	13.0	32,325	65.7

**Down-payment on installment sales.**—Of the 60,525 installment credit stores analyzed, 42,413 provided a break-down of their installment sales to show the amount received as down-payment and the amount payable in installments. The down-payment averaged 27.4 percent of the full amount of the installment sales.

This average rate of down payment, however, is not representative since 15,672 of the 42,413 retailers were automobile dealers (new and trade-in cars) and 1,292 were used-car dealers, both groups reporting more than average down payments. The former reported down payments (trade-ins and cash) of 38.1 percent, while used-car dealers reported an average of 30.1 percent. All other kinds of retailers, constituting 25,449 of the 42,413 analyzed, showed average down payments of 13.2 percent.

The stores and sales included in this down-payment analysis of installment sales, together with the amount and proportions of down payments reported by them, are as follows:

DOWN-PAYMENT ANALYSIS OF INSTALLMENT SALES

	Stores analyzed	Percent	Indicated totals
Number of installment credit stores (part of the 60,525 reported above).....	42,413		
Installment sales of these stores (add 000).....	\$2,858,627		\$4,770,000
Down payment <sup>1</sup> (add 000).....	782,123	27.4	1,307,000
Deferred credit (add 000).....	2,076,504	72.6	3,463,000

<sup>1</sup> Down payment may be in cash or trade-in allowance or both.

No comparable data on the proportion of down payments are available for previous years. The inquiry was not contained in census schedules prior to 1939.

**Accounts and notes receivable.**—The amount of consumer indebtedness to retailers, in the form of open ledger accounts and notes held by retailers (in contradistinction to installment paper accepted originally by retailers but sold to sales finance companies and banks), was requested for the first time in this census. Heretofore, the information has not been available, except in small samples compiled periodically for individual retail trades by a few trade associations, and annual estimates by the United States Department of Commerce in cooperation with the National Retail Credit Association.

The 786,755 stores reporting credit sales show total receivables at the end of 1939 of \$3,277,686,000, or 24.4 percent of their credit sales for the year. If the same ratio is applied to the small remainder (6.3 percent) of sales of stores not reporting a break-down of their sales, it would appear that total receivables of all retailers, at the end of 1939, were approximately \$3,506,700,000.

Installment notes (time paper) held by 38,160 installment credit stores, of the 60,525 stores reporting their credit sales in sufficient detail for the open-account—installment analysis, totaled \$1,184,010,000. The installment sales of these 38,160 stores were \$2,728,490,000. Their ratio of installment receivables at the end of the year to installment sales for the year was 43.4 percent.

The receivables reported by retailers do not include installment paper disposed of during the year by sale or discount to finance companies and banks. Paper so sold or discounted becomes the property of the financing agency, regardless of whether it is sold with recourse or without recourse on the seller (retailer) in the event of nonpayment by the maker (customer).

Retailers' receivables do include, however, any installment notes which may have been temporarily

hypothecated with banks in escrow or trust, as security for commercial loans.

The stores, credit sales, and receivables included in this further analysis, and the ratio of receivables at the end of 1939 to credit sales during the year, follow:

ANALYSIS OF RECEIVABLES IN RELATION TO CREDIT SALES

	Stores analyzed	Indicated totals
Number of credit stores.....	786,755	865,700
Credit sales of such stores (add 000).....	\$13,456,193	\$14,372,000
Accounts and notes receivable of such stores at end of year 1939 (add 000).....	\$3,277,686	\$3,506,700
Ratio of receivables at end of year to credit sales during the year.....	24.4	24.4
Number of installment credit stores (sample).....	38,160	
Installment sales of such stores (add 000).....	\$2,728,490	\$4,770,000
Installment notes held by such stores at end of year 1939 (add 000).....	<sup>1</sup> \$1,184,010	<sup>2</sup> \$1,500,000
Ratio of installment receivables at end of year to installment sales during the year.....	43.4	31.4

<sup>1</sup> Exclusive of notes sold to finance companies and banks during the year.  
<sup>2</sup> See text below.

**Total installment receivables unknown.**—The summary above indicates that consumer installment notes outstanding on the books of 38,160 retailers at the end of 1939 were 43.4 percent of their installment sales during the year. The information is incomplete as to the amount of notes which may have been held by other retailers, who did not report the details necessary for this particular analysis.

It is known, however, from a preceding analysis of the sales of 60,525 installment credit stores, that installment sales by these 60,525 stores totaled \$3,947,861,000. Of this known minimum the 38,160 stores reporting data on installment receivables account for only \$2,728,490,000. The question arises whether the installment receivables ratio of 43.4 percent described above is properly applicable to *total* installment sales, or whether it must be assumed from the circumstances that most of the notes retained by retailers (not sold to finance companies and banks) are included in the amount reported by the 38,160 stores. The latter seems reasonable but not conclusive.

It is necessary to conclude, therefore, that the amount of installment notes held by retailers at the end of 1939 was at least \$1,184,010,000 and may have been as much as \$2,000,000,000, or about 43.4 percent of the indicated \$4,770,000,000 of installment sales. A study of the data by kinds of business, as shown in the detailed tables herein, and particularly the data on the large proportion of installment sales of motor-car dealers, in contrast to their small holdings of notes as a result of the custom of financing their sales largely through sales-finance companies, leads to the conclusion that total holdings of installment notes by retailers at the end of 1939 were more nearly \$1,500,000,000 than either of the two extremes mentioned above.

**Sales-finance companies and banks.**—In addition to installment notes held by retailers, large amounts of such consumer paper are bought annually and held by sales-finance companies and banks.

The census of sales-finance companies for 1939 <sup>5</sup> shows that finance companies purchased \$1,990,283,000 of consumer paper during the year and held \$1,348,824,000 at the end of 1939. Banks' holdings of such paper at the same date totaled \$541,243,000 additionally.

Part of the latter, estimated at about one-third of bank holdings, <sup>6</sup> or \$180,000,000, was not purchased from retailers but was created by direct transactions between consumers and banks in the form of installment loans for the purchase of specified merchandise—primarily automobiles, furniture, household appliances, and radios. Retailers received cash for the merchandise, were not parties to the transactions between their customers and the banks, and the sales appear as cash sales on retailers' books.

To relate retailers' holdings to the holdings of sales-finance companies, adjustment must be made of the latter, as shown in the census of sales-finance companies, <sup>5</sup> for paper held by the finance departments of large mail-order companies selling extensively on the installment plan, since such paper is also included in the Retail Census, and for \$117,527,000 of paper arising from the sale of trucks, trailers, tractors, and busses. These are sold primarily by wholesalers or wholesale branches of the manufacturers directly to commercial consumers; therefore the sales do not appear in retail trade, and the resulting paper should be deleted for true comparisons.

**Relative holdings of retail paper.**—Retail installment paper arising from the sale of merchandise by retailers on the installment or time-payment plan was held at the end of 1939 in approximately the amounts and proportions below:

HOLDINGS OF RETAIL INSTALLMENT PAPER, END OF 1939

	Amount <sup>†</sup>	Percent
<b>Total</b> .....	\$2,906,000,000	100.0
Held by retailers (as estimated in text).....	1,500,000,000	51.6
Held by sales-finance companies.....	<sup>1</sup> 1,045,000,000	36.0
Held by banks.....	<sup>2</sup> 361,000,000	12.4

<sup>1</sup> Excludes \$117,527,000 of paper arising from sales through wholesale channels.

<sup>2</sup> Excludes approximately \$180,000,000 of paper created directly by banks to finance "cash" purchases by consumers, which appear on retailers' books as cash sales.

The ratios shown above would indicate that retailers finance about one-half of all retail installment credit, in addition to the amount outstanding on open charge accounts. For this purpose retailers are liberal users of bank credit, in the form of short-term commercial loans.

**Credit data by kinds of business.**—Tables 8, 8A, 9, 9A and 9C herein contain credit data by means of which credit sales and retailers' receivables may be computed for each kind of retail business, by the procedure used above in computing total retail business,

<sup>5</sup> "Sales-Finance Companies and Banks' Holdings of Retail Installment Paper," a special report of the Bureau of the Census originally published in booklet form, is reproduced in this volume. See page 789.

<sup>6</sup> Ibid: footnote 3, page 790.

UNITED STATES SUMMARY OF TABULATED CREDIT DATA

	STORES		SALES	
	Number	Percent	Amount (add 000)	Percent
<b>Total all stores</b> .....	<b>1,770,355</b>	<b>100.0</b>	<b>\$42,041,790</b>	<b>100.0</b>
Less not analyzed.....	160,905	9.1	2,636,406	6.3
<b>Total analyzed</b> .....	<b>1,609,450</b>	<b>90.9</b>	<b>39,405,384</b>	<b>93.7</b>
All-cash stores analyzed.....	822,695	51.1	14,000,497	35.5
Cash-credit stores analyzed.....	786,755	48.9	25,404,887	64.5
Cash sales of these stores.....			11,948,694	47.0
Credit sales of these stores.....			13,456,193	53.0
(Accounts receivable, \$3,277,686,000)				
Credit stores not further analyzed.....	528,514		4,323,166	
Credit stores further analyzed.....	268,241		21,081,721	
Cash sales of these stores.....			9,168,596	43.5
Open-account credit sales of these stores.....			7,965,264	37.8
Installment credit sales of these stores.....			3,947,861	18.7
Credit stores reporting installment sales: Number and total sales.....	60,525		9,655,857	100.0
Cash sales of these stores.....			3,675,126	38.0
Open-account sales of these stores.....			2,032,870	21.1
Installment sales of these stores.....			3,947,861	40.9
Installment credit stores reporting down payment: Number and total sales.....	42,413		6,191,963	100.0
Cash and open-account sales.....			3,333,336	53.8
Installment sales of these stores.....			2,858,627	46.2
Down payment.....			782,123	27.4
Deferred amount.....			2,076,504	72.6
Installment credit stores reporting install- ment receivables: Number and total sales.....	38,160		7,096,203	
Installment sales of these stores.....			2,728,490	
Installment receivables of these stores.....			1,184,010	

and are subject to the same assumption that the samples are representative.

Tables 8 and 8A show for each kind of business the number of all-cash stores and their sales, and the number of cash-credit stores, with a break-down of their sales between cash and credit. Not all stores reported this break-down, but the tables show the number included and the weight of sample, from which projections can be made to cover the stores and sales not included in the analysis.

These tables also show the amount of customer accounts and notes receivable at the end of the year.

Tables 9 and 9A show for each kind of business a further analysis of stores reporting credit sales, with a break-down between open-account and installment credit. Again the number is incomplete, since only about one-third of the credit stores provided this further break-down of their credit sales. The tables show the weight of sample and all the data required to project the sample to cover the stores and sales not analyzed. The number of stores missing from this analysis is large because the inquiry was not even included in the census schedule used by stores with sales of less than \$20,000. The missing sales, however, are relatively small in all but a few kinds of business wherein small stores predominate, such as delicatessen, cigar stores, newsstands, and drinking places.

CHART 8. PERCENT OF SALES MADE ON CREDIT BASIS BY MAJOR BUSINESS GROUPS: 1939

(Based on sample of 786,755 stores which reported credit sales)

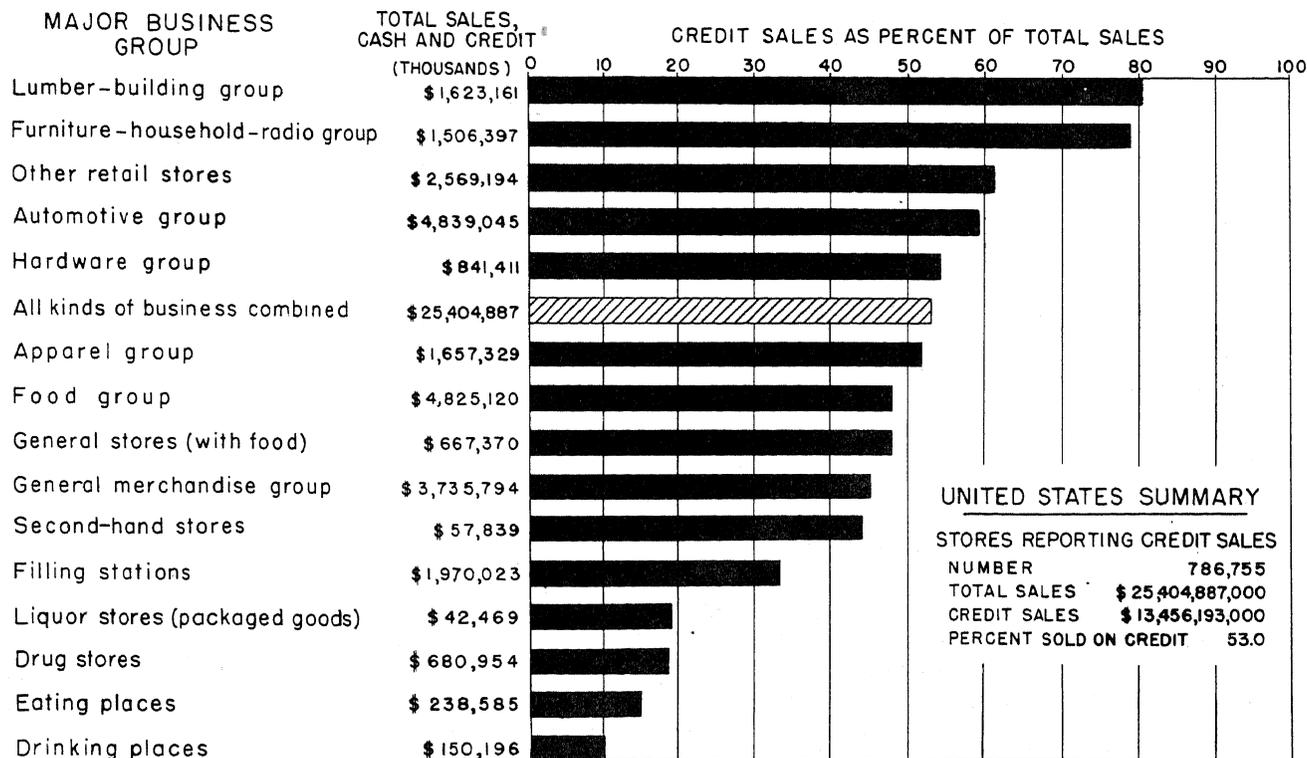


Table 9C shows by kinds of business an additional analysis of the sales of installment credit stores, to determine the amount of down payment and the amount of installment receivables in relation to installment sales.

Chart 8 illustrates the great difference between kinds of business in the proportion of sales for cash and on credit in cash-credit stores. It indicates, for instance, that the lumber—building group with total sales of \$1,623,161,000 does 80.6 percent of its business on credit, and the hardware group with sales of \$841,411,000 does 54.2 percent on credit, whereas drinking places, eating places, and drug stores do less than 20 percent and filling stations 33.4 percent of their sales on credit.

**Credit data by States.**—Tables 8B and 9B show data for each State comparable to that described above for tables 8 and 9, except that all kinds of business are combined in single-line totals for each State. Similar data are shown for each city of more than 500,000 population. Computations can be made for each such State and major city, in the manner described above.

Table 9D shows data on installment sales and receivables for each State comparable to that described above for table 9C, except that all kinds of business are combined in single-line totals for each State.

Also contained herein are detailed kind-of-business tables for each State, identified as State tables 8 and 9. Data for the 14 major cities are presented in the same detail as for States. The user interested in credit sales and receivables for any kind of retail business in any State or in these largest cities will find in these tables the data by which computations may be made, comparable to those presented above for the United States.

**Limitations of the data.**—The data on cash and credit sales and receivables necessarily are samples because most retailers do not have the detailed facts requested. Inferences drawn from these data must be qualified, therefore, by the fact that all stores may not have credit business in the same proportion as the sample, and by the fact that ratios for each individual kind of business when applied to individual sales will produce a different total than when average ratios are applied to totals of all kinds of business combined.

Only stores reporting on Form 21 were requested to submit data on installment sales, down-payments, and receivables. This factor results in a selective basis of these data representing larger stores and chain stores. However, independent stores with annual sales of less than \$20,000 do only a negligible amount of installment business and cannot affect the ratios materially.

A further qualification to be noted is that the data for a given item such as down-payments are based on a part of the stores reporting the preceding items. Thus the sample upon which any set of facts is based is partly influenced by the preceding sample.

The data are totals of reported data and are not adjusted to account for differences in the degree of coverage in the several kinds of business. This factor may affect comparisons of State totals where a kind of business with a high proportion of installment sales, for instance, may be relatively less represented in one State than in another.

Tables 8 and 8A present comparable 1929 and 1935 totals for the cash-credit analysis where such data are reasonably comparable with the 1939 data. Strict comparability is not obtainable.

In the 1929 Census the use of special schedules for dealers in the automotive group, drug stores, and food stores, and the use of the long-form schedule only in cities of more than 10,000 population for stores with more than \$60,000 of annual sales may have restricted the samples in such a way as to cause some variations from results obtained in 1939.

The 1935 cash-credit analysis did not segregate cash sales in cash stores from cash sales in cash-credit stores. The total of cash sales in cash stores and cash-credit stores is available, however, in Retail Volume VI of the 1935 Census of Business.<sup>7</sup> The 1935 totals in table 8A of the present report are unadjusted aggregates of the data as reported for 1935, and thus differ from the projected totals published in the 1935 volume on credit sales.

### SALES BY COMMODITIES (Table 18)

Sales of each kind of business shown in the Retail Census, with the exception of a few minor classifications,<sup>8</sup> are analyzed by commodities, and presented separately herein for the United States. Statistics for States and for cities of more than 500,000 population are presented in Part 2 of Volume I. Commodity data are arranged in 11 sections, corresponding to the major business groups used throughout Retail Census reports. The 11 sections are:

1. Food group.
2. General stores (with food).
3. General merchandise group.
4. Apparel group.
5. Furniture—household—radio group.
6. Automotive group.
7. Filling stations.
8. Lumber—building—hardware group.
9. Eating and drinking places.
10. Drug stores.
11. Other retail stores, including liquor stores.

**Major samples.**—Not all stores were able to report sales by commodities in the detail requested. Small stores frequently keep only over-all records of their sales, and have no better basis for a commodity analysis

<sup>7</sup> Volume VI, Retail Distribution, Census of Business: 1935.

<sup>8</sup> The classifications not analyzed are: "other food stores," "other women's accessories stores," "other apparel stores," "other home-furnishings stores," "other retail stores," and "second-hand stores." Each of these classifications includes several distinct kinds of business, usually small establishments operating without adequate commodity sales records, and a composite break-down by commodities would be worthless.

than purchase records or invoice files. Some cash stores have separate cash registers, the receipts of which approximate rough commodity classifications of sales. Larger stores maintain commodity sales records, but not always in the detail requested. A sincere effort was made, however, both by the stores and by the Bureau, to arrive at accurate analyses confined to a limited number of commodities or broad commodity groups appropriate to each of the respective kinds of business. Therefore the tables presenting commodity data are based upon reports from stores which were able to analyze their sales in the detail requested, and constitute major samples for each kind of business.

The number of stores included in each such sample, and the amount of their sales in relation to total sales of all stores in the same kind of business, are shown in the tables. The percent of commodity coverage is substantial in all cases, seldom being less than one-half of all sales of the business classification and frequently approaching 100 percent.

Each commodity shows the number of stores included in the sample, the amount of their total sales, and their sales of each commodity or group of commodities. Since in most cases the coverage for this purpose is less than the total number of stores in the corresponding business classification, the dollar sales shown for a given commodity are less than the total dollar sales which would have resulted if all stores had been able to report commodity sales. Therefore data for the stores analyzed, which comprise the major sample, are shown also in *percentage form*. The value and uses of these percentages (percent columns A and B, table 18) are discussed in later paragraphs.

**Method of presenting the data.**—Most stores reported some kind of an analysis of their sales, but often two or more commodity classifications were bracketed in such a way that the analysis could not be used. Only the schedules which appeared to contain a complete analysis were included in the representative samples presented in table 18 for each kind of business. At the top of each section of the table is stated the total number of stores in the kind of business designated, with their total sales in 1939 and the proportion of commodity coverage. This table then shows the number of stores analyzed and the total sales of such stores. *The commodity coverage is the ratio of the total sales of the stores analyzed to the total sales of all stores in the same kind of business.*

In table 18 the commodities or commodity groups are listed, showing for each the number of stores reporting the sale of such commodity, total sales of such stores, total sales of the commodity in such stores, percent of the commodity's sales to total sales of the stores selling that commodity (percent column A), and percent of the commodity's sales to total sales of all stores analyzed (percent column B).

**Uses of percentage columns A and B.**—The ratios

shown in percentage column A as above described represent the proportionate sales of the designated commodity in the stores which report that they sell such commodity. In column B the ratio of the commodity's sales to the total sales of all stores analyzed is usually somewhat smaller than its ratio to the sales of the stores which sell the commodity, since not all stores in the kind of business sell every commodity. In the case of commodities sold by all stores both percentage ratios are the same.

Percentages in column A may be used as a measure of the proportion of sales which the commodity should produce in sales in stores which sell it or are considering its sale. Percentages in column B may be applied to the total sales of all stores in the same kind of business (shown at the top of each section of table 18) to compute the approximate total sales of the commodity or group of commodities, on the assumption that the commodity sample is approximately representative also of the stores not included in the same kind of business which are not included with the sample. To the extent that such an assumption is true, it is possible to compute the approximate total sales of a given commodity in each principal kind of business selling such commodity, and thereby determine the relative importance of each kind of business in the retail distribution of such commodity.

**Method of computing the approximate total sales of a given commodity.**—To compute the approximate total retail sales of any commodity shown, it is necessary to go through each of the commodity sections and list from table 18 each kind of business that would sell such commodity. For each of these kinds of business, tabulate the percentage shown in percent column B and the total sales of all stores in the kind of business (which is shown just above the list of commodities). Apply the percentage figure to the total sales of the kind of business, the result being the approximate dollar sales of the specified commodity by all stores in the kind of business. The sum of the dollar sales thus derived is the approximate total sales of the given commodity in the principal kinds of businesses selling the commodity.

In addition to the amount computed by following the above method, sales of the given commodity must be estimated for the kinds of business in which the commodity is sold in such small proportion as not to be separately listed (included usually in "other sales") or is reported in combination with one or more other commodities. For instance, gasoline, which is reported as a separate commodity item for filling stations, is combined with oil and grease for automobile dealers and accessory stores; and with oil, tires, etc., for grocery and combination stores. An example of the method of computing the approximate total sales of a given commodity by principal kinds of business follows.

## CENSUS OF BUSINESS

## SALES OF FLOOR COVERINGS BY PRINCIPAL KINDS OF BUSINESS

KIND OF BUSINESS	Percent of sales of floor coverings to total sales of all stores reporting sales by commodities (percent column B)	Total sales of all stores in the stated kind of business (add 000)	Approximate total sales of floor coverings (col. 1 X col. 2) (add 000)
Total sales in these stores.....			\$286,779
Furniture stores.....	13.0	\$973,157	\$126,510
Department stores.....	2.6	3,974,998	103,350
Floor coverings stores.....	91.3	58,618	53,518
Interior decorators.....	10.7	27,930	2,989
Drapery, curtain, upholstery stores....	2.6	15,843	412

<sup>1</sup> Caution. This total amount is limited to the principal retail outlets for floor coverings and should not be considered as the total sales of the commodity. Other kinds of businesses, such as general merchandise stores, general stores, hardware stores, etc., also sell quantities of floor coverings. In these other kinds of businesses, however, records of sales of floor coverings are not generally kept separately but are combined with other merchandise. To arrive at an approximate total figure, it would be necessary to estimate the amount of the commodity sold by each kind of business other than the principal classifications.

**General merchandise group analyzed.**—There are five business classifications in this group: Department stores, dry goods stores, variety stores, and two kinds of general merchandise stores—those with food and those reporting no food except candy, confectionery, and bottled beverages. A detailed analysis of the data shown for each of these kinds of business follows as an illustration of the type of information presented in the commodity tables.

**Department stores.**—The 1,465 department stores whose sales are analyzed herein by departments account for \$2,770,582,000 of sales, or 69.7 percent of the \$3,974,998,000 total sales of all department stores and mail-order houses selling general merchandise. Most of the remaining 2,609 stores reported sales by departments, but so grouped that they could not be reconciled with the standard schedule.

Of the 1,465 stores included in this analysis, 1,051 had no basement or bargain annex departments. Their sales totaled \$1,133,177,000. The 414 stores with basements reported total sales of \$1,637,405,000 of which basement departments accounted for \$282,460,000, or 17.3 percent. A summary follows:

## DEPARTMENT STORES—MAIN STORE VS. BASEMENT STORES

	Number of stores	SALES (add 000)			Basement percent of total
		Total	Main store	Basement	
All department stores.....	4,074	\$3,974,998			
Less—not analyzed.....	2,609	1,204,416			
All stores analyzed.....	1,465	2,770,582	\$2,488,122	\$282,460	10.2
Stores without basement departments.....	1,051	1,133,177	1,133,177		
Stores with basement departments.....	414	1,637,405	1,354,945	282,460	17.3

**Basement departments defined.**—Many stores have some selling departments located in the basement, but mere location is not the determining factor. Basement departments as defined by the census are *lower-priced* departments of which there are counterparts at regular prices in the main store. In such stores the basement departments account for more than one-sixth of total sales.

**Major commodity groups.**—Women's apparel and accessories constitute the principal commodity group of a department store's sales, followed by the furniture and household departments. Men's and boys' departments are third and the dry goods and smallwares departments are fourth. Other departments vary so much between stores that they do not permit of comparable grouping. A summary by major commodity groups follows:

## DEPARTMENT STORES—RELATIVE SALES IMPORTANCE OF DEPARTMENTS

DEPARTMENT	PERCENT OF TOTAL SALES		
	Total store	Main store	Basement <sup>1</sup>
Total, all departments.....	100.0	89.8	10.2
Dry goods, smallwares (including blankets and bedding).....	10.0	9.1	.9
Women's and misses' apparel (including sportswear, house dresses, uniforms).....	14.2	11.7	2.5
Women's and misses' accessories (except shoes).....	15.1	13.0	2.1
Infants' and girls' wear.....	3.9	3.3	.6
Shoes (all departments).....	5.9	4.7	1.2
Men's and boys' wear (except shoes).....	11.4	9.8	1.6
Furniture and household departments.....	21.9	20.9	1.0
Restaurants, candy, foods.....	3.6	3.6	.....
Other departments.....	14.0	13.7	.3

<sup>1</sup> These ratios apply to total sales, all stores. The ratio is reduced from 17.3 percent by the fact that many stores have no basement departments.

**Apparel.**—Dresses account for 5 percent of total store sales; coats, suits, and furs, 5.1 percent; blouses, skirts, and sportswear, 2.4 percent; aprons, house dresses, and uniforms, 1.7 percent. Of the 14.2 percent total, main store departments provide 11.7 percent and basement or bargain annex departments provide 2.5 percent.

**Accessories.**—Hosiery accounts for about 4 percent; underwear, negligees and robes about 4 percent; millinery about 2 percent; corsets about 1.5 percent; gloves, neckwear, scarfs, and handkerchiefs about 2.3 percent; handbags and small leather goods about 1.3 percent. These percentages cannot be stated exactly because basement sales of these accessories were reported in a single item. Of the 15.1 percent total, main store departments provide 13.0 percent and basement or bargain annex departments provide 2.1 percent.

Infants' and girls' wear departments account for 3.9 percent, of which the main store provides 3.3 percent and the basement 0.6 percent.

Shoe departments account for 5.9 percent of total store sales in these proportions: Women's and children's, 3.5 percent; men's and boys', 1.2 percent; and basement, 1.2 percent.

**Dry goods and smallwares.**—Piece goods departments (silks, rayon, woolen, and cotton) account for about 3.1 percent of total store sales; linens, domestics, blankets, and bedding about 4.1 percent; patterns and notions about 1.6 percent; smallwares and art needlework about 1.2 percent. Of the 10 percent total, main store departments provide 9.1 percent and the basement 0.9 percent.

*Men's and boys' wear.*—Only 811 stores of the 1,465 stores included in this analysis have men's clothing departments, and only 653 have separate hat departments. In these stores, men's clothing accounts for 3.5 percent of store sales, and hats and caps for 0.4 percent. In other stores hats and caps may be sold in the furnishings department. Of the 11.4 percent total for all men's and boys' wear, main store departments provide 9.8 percent and basement departments provide 1.6 percent.

*Furniture and household goods.*—Although many stores sell household appliances and homewares in the basement, only 178 stores of the 1,465 analyzed herein reported basement home-furnishings departments as defined in a previous paragraph. This is in accord with instructions in the census schedule, which provide that departments wherever located are a part of the main store except lower price departments in the basement or bargain annex which duplicate main store departments. Even if a furniture department is located in the basement it is considered a main store department unless there is a furniture department also in the main store.

Furniture accounts for 4.6 percent of total store sales, or 5.1 percent in stores which sell furniture (30 percent of the stores analyzed do not have furniture departments); floor coverings, 2.6 percent; draperies, curtains, and upholstery, 2.8 percent; lamps, gift items, pictures, and mirrors, 1.1 percent; china, glassware, and miscellaneous housewares, 3.0 percent. Household appliances, stoves, and burners account for 3.8 percent; radios, pianos, phonographs, and records, 1.0 percent; hardware, tools, paint, and electrical supplies, 2.0 percent; and basement home furnishings of all kinds 1.0 percent. Main store departments provide 20.9 percent of the total and basement departments 1.0 percent.

*Restaurants and foods.*—Only about one-third of the stores analyzed have restaurants, luncheonettes, or fountains. In the 480 such stores these departments provide 2.1 percent of store sales, but the ratio to the total sales of all stores analyzed is 1.4 percent. About 60 percent of the stores report candy departments. About 40 percent operate grocery and other food departments, which provide 3.4 percent of their sales but only 1.6 percent of the total sales of all stores analyzed. All restaurant and food departments are reported as parts of the main store. If there are duplicate departments in the basement at lower prices they are limited to some part of 0.3 percent of "other basement" sales.

*Other departments.*—Other departments include the following: Toiletries and drug sundries, 3.0 percent; jewelry, silverware, cameras, and optical goods, 2.0 percent; books and stationery, 1.5 percent; toys, sporting goods, and bicycles, 2.0 percent; luggage and umbrellas, 0.6 percent. These departments total 9.1 percent. There are several other departments which, in a rela-

tively few stores, account for a substantial part of store sales, but their effect on the total sales of the 1,465 stores analyzed aggregates only 4.6 percent. Chief among these are tires and auto accessories (3.3 percent in 503 stores which sell them), farm implements and machinery (2.3 percent in 116 stores which sell them), packaged beer, wines, and liquors (1.8 percent in 49 stores which sell them), building materials (1.6 percent in 101 stores which sell them), and beauty and barber shops (1.7 percent in 477 stores which operate them).

The accompanying tables present data for many more departments than those mentioned above. There are 72 classifications in all, shown in 7 groups.

*Leased departments.*—In 427 of the 1,465 stores analyzed there are leased departments whose sales are not reported in the stores' sales. Leased departments reported separately by their operators are classified in the census as separate stores in their respective kinds of business, and their sales could not be assembled and added to the department store figures. Such leased departments are primarily millinery, beauty shops, shoes, cut flowers, and sometimes furs and dresses. Had the 427 stores included their leased departments, their reported sales of \$803,243,000 would have been increased by \$68,095,000, or 8.5 percent. If adjusted, the effect on departmental ratios shown in the accompanying United States summary table probably would be an increase of millinery from the reported 1.5 percent to about 1.9 percent, furs from 1.3 to about 1.7 percent, dresses from 5 to about 5.8 percent, shoes from 5.9 to about 6.3 percent, and the scattered "other" departments from 4.5 to about 5 percent, mostly in the beauty-shop classification.

*By States.*—There are some marked differences between the department stores in different States in the relative importance of departments. Differences in climatic conditions are partly responsible, and these can now be measured with reasonably accuracy. Careful study of the figures by States (vol. I, part 2) reveals other variations which indicate differences in the custom or habit of the stores or their customers in what they regard as department store merchandise. The facts could affect the marketing and advertising plans of suppliers as well as the merchandising plans of the stores.

*Variety stores.*—Variety stores are analyzed in two size groups—-independent stores with sales under \$20,000 per year, and stores with sales of more than \$20,000 including chain units regardless of sales volume.

Commodity coverage of the smaller stores is 34.2 percent, while the larger stores included in the commodity analysis account for 76.4 percent of the total sales of all such variety stores.

Dry goods, apparel, and accessories constitute 31.0 percent of the sales of the smaller group, and 37.4 percent of the larger stores' sales. Toiletries, cosmetics,

and drug sundries make up 19.7 percent of the smaller stores' sales, and 10.6 percent of the sales of the larger stores. So-called hard lines, including homewares, hardware, paints, tools, plumbing and electrical supplies, and farm and garden supplies, make up 19.8 percent of the smaller stores' sales, and 18.6 percent of the sales of the larger stores.

Other sales amount to 29.5 percent in the case of the smaller stores, and 33.4 percent in larger stores. The principal difference is that the larger stores have higher relative sales of candy, nuts, luncheonette, and fountain.

A more detailed analysis of commodity sales was reported by 2,695 of the larger stores (average sales \$214,285 each). The data for these stores are included in the analysis of variety stores with sales of \$20,000 or more and are also shown separately in supplemental tables. A percentage comparison by size groups of the stores analyzed follows.

VARIETY STORE SALES ANALYZED BY COMMODITIES

COMMODITY	PERCENT OF TOTAL SALES		
	Stores with annual sales under \$20,000	Over \$20,000	
		All such stores	Stores further analyzed (2,695 stores)
I. Toiletries, cosmetics, drug sundries.....	19.7	10.6	10.0
II. Apparel, clothing, accessories, shoes, dry goods.....	31.0	37.4	35.7
A. Men's and boys' clothing and furnishings.....	(1)	3.2	2.8
B. Shoes and rubber footwear.....	(1)	1.1	.9
C. Women's apparel and accessories.....	(1)	16.6	15.8
Neckwear, scarfs, handkerchiefs.....	(1)	(1)	1.9
Millinery.....	(1)	(1)	1.3
Gloves.....	(1)	(1)	1.6
Hosiery.....	(1)	(1)	6.0
Knit underwear.....	(1)	(1)	1.6
Silk and muslin underwear, slips.....	(1)	(1)	6.4
Handbags, small leather goods.....	(1)	(1)	2.5
Girls' and infants' wear.....	(1)	(1)	5.5
Aprons, house dresses, uniforms.....	(1)	(1)	4.0
Blouses, skirts, sportswear.....	(1)	(1)	1.1
Coats and suits.....	(1)	(1)	5.5
Dresses.....	(1)	(1)	5.1
D. Dry goods and other soft goods.....	(1)	16.5	16.2
Dry goods.....	(1)	(1)	5.1
Laces, trimmings, embroideries, ribbons.....	(1)	(1)	2.0
Notions.....	(1)	(1)	7.6
Art needlework, art goods.....	(1)	(1)	3.0
III. Household goods, housewares, music, etc.....	10.5	8.3	7.8
Draperies, curtains, upholstery.....	(1)	(1)	2.4
China and glassware.....	(1)	(1)	3.3
Household appliances (electric and gas).....	(1)	(1)	2.8
Miscellaneous housewares.....	(1)	(1)	3.6
Gift shop, pictures, frames, mirrors.....	(1)	(1)	1.8
Sheet music, phonograph records.....	(1)	(1)	.6
IV. Hardware, tools, paint, electrical supplies, feed, seed.....	9.3	10.3	10.7
V. Foods, candy, confectionery, beverages.....	4.0	9.2	8.9
Groceries, foods, tobacco, etc.....	(1)	(1)	2.6
Candy, nuts.....	(1)	(1)	7.2
VI. Other sales.....	25.2	24.2	26.9
Silverware, jewelry, cameras, optical.....	13.2	(1)	2.0
Toys, sporting goods, luggage, etc.....			4.9
Stationery, books, magazines, philatelic.....			8.1
Restaurant, luncheonette, fountain.....	9.7	(1)	10.1
Not specified.....	2.6	(1)	4.6

<sup>1</sup> Not available separately; included in the group total above.

<sup>2</sup> Average ratio for all stores analyzed, from percentage column B of table 18. Ratios below for individual commodities are from percentage column A.

**Dry goods and general merchandise stores.**—Of the 15,628 dry goods stores in the United States, about 10 percent reported their sales by commodities. The average sales of the stores so reporting was \$62,388, as compared with an average of less than \$15,000 for all stores, and they accounted for 42.0 percent of the

total sales of all dry goods stores. Dry goods and related soft goods and notions account for 52.7 percent of the sales of the stores analyzed. Women's and children's apparel and accessories constituted the second largest commodity group with 34.2 percent, followed by shoes and rubber footwear with 4.0 percent, and 4.0 percent for men's and boys' furnishings. Cosmetics and toiletries average only 1.0 percent, though they account for 3.6 percent of total sales in the few stores reporting such commodities. Other sales are insignificant.

Only 756 general merchandise stores with foods, of which there are 2,737 in the United States with average sales of \$40,960, reported their sales by commodities in sufficient detail for tabulation. The sample provides a commodity coverage of 53.3 percent. Foods of all kinds, including candy and bottled beverages, account for 25.9 percent of the total sales of the stores analyzed. Apparel and accessories, including men's wear and shoes, total 27.5 percent. Dry goods and related soft goods add 10.6 percent. The commodities making up the remaining 36 percent are shown in table 18.

General merchandise stores without food are represented by a sample of about 40 percent of all stores with 60.0 percent of total sales. Men's clothing and furnishings and women's apparel and accessories account for more than half of the total sales of the 4,418 stores analyzed. Shoes and rubber footwear add another 15.8 percent. Dry goods and related soft goods account for 22.5 percent. The commodities making up the remainder of 9.9 percent are shown in table 18.

**How to estimate sales of a commodity.**—The conclusions presented above as to commodity sales in department stores, variety stores, dry goods and general merchandise stores are derived from table 18 as illustrative of the kind of information obtainable for other kinds of business as well, in more or less detail. From this table the user is able to arrive at an accurate general picture of the nature of the commodities sold by each kind of business and in what relative proportions.

These proportions, it needs to be emphasized, are different in stores which sell the commodity than are the proportions for the business classification as a whole. Always there are some commodities so fundamental to the business that all stores of the designated kind necessarily sell them. As to such commodities the percentages are the same in both columns (Columns A and B, table 18). Grocery stores, for instance, all sell groceries and the commodity constitutes 56.5 percent of their sales. But some 1,752 of the 23,180 stores analyzed do not sell green goods (fresh fruits and vegetables). In the 21,428 stores which do, the commodity accounts for 15.6 percent of their total sales but it averages only 13.9 percent for all grocery stores analyzed.

If the user is computing the total sales of fruits and vegetables, the 13.9 percent ratio would be used and

applied to the total sales of grocery stores. If he were studying the nature of the sales of grocery stores, he would determine that a substantial majority (but not all) of grocery stores sell fruits and vegetables and in such stores the commodity produces 15.6 percent of sales.

Fresh fruits and vegetables appear as a commodity classification in several kinds of food stores. The approximate dollar sales can be computed for each. In addition, other stores such as general stores (with food), department stores, and others sell fruits and vegetables but the proportion is included in a composite food ratio, the break-down of which must be estimated and added to the sales computed as described above.

Because a considerable element of approximation must enter into commodity sales determinations, some of which cannot be supported statistically, the Census Bureau refrains from publishing its break-down of total retail sales by commodities, leaving to each user full latitude in making his own determinations from the original material, which is presented in detail in table 18 herein on a national basis, and for each State and city of more than 500,000 population in tables 18 and 18A, vol. 1, part 2.

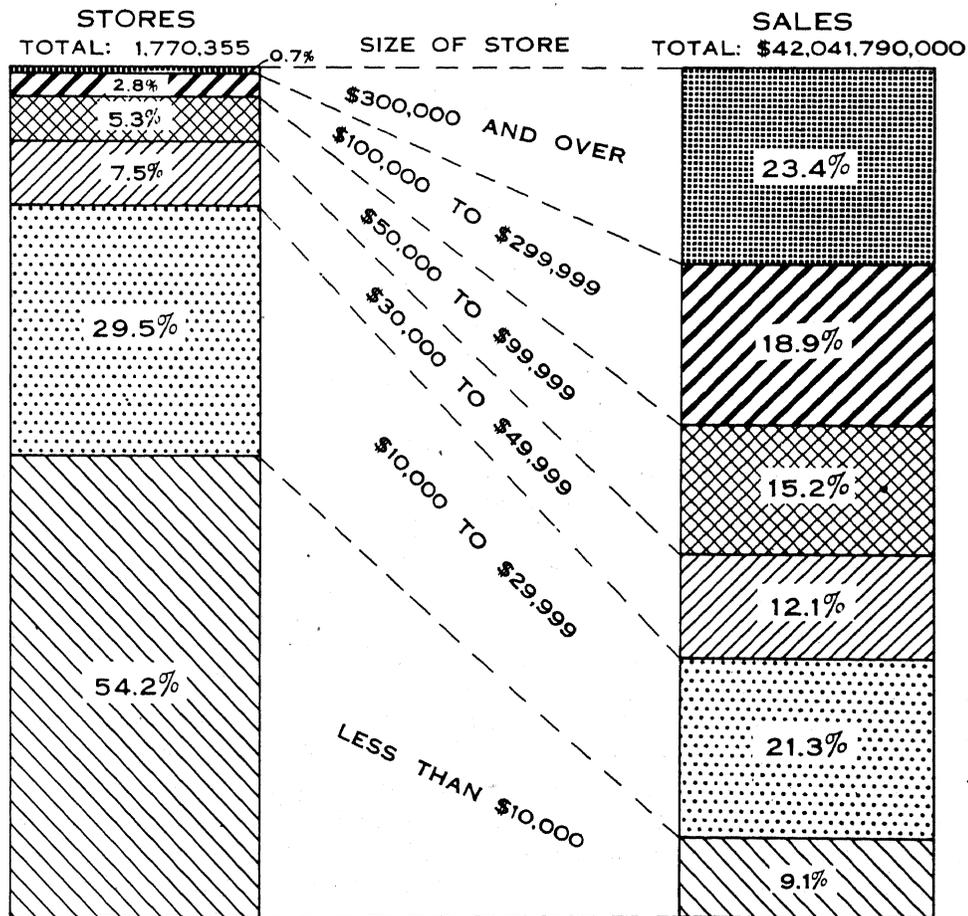
**Description of tables.**—All of the detailed State tables 18 referred to above are included in Volume I, Retail Trade: 1939, Part 2, and are fully described in

the text of that volume. There are definite limitations which cannot be overcome in the compilation and presentation of commodity data because of the lack of records on the part of such a large proportion, numerically, of retailers in any kind of business. These limitations also are described in the text of Part 2 referred to above.

It is well to keep in mind, also, that the percentage method of presenting the conclusions measures dollar sales rather than physical volume. Therefore comparisons between 1929 and 1939 are further qualified by the possibility that price changes may have occurred in some kinds of commodities and not in others. Price changes must be considered if dollar sales are to be evaluated in terms of physical volume.

The summary tables contained herein (table 18, pages 158 to 169) present percentages computed by adding all available schedules within the specified business groups, without weighting or adjustment of differences in the relative weight of the sample in the several States. They are believed to be as representative as it is possible to obtain commodity data on a comprehensive basis. Small samples containing greater detail may be superimposed upon the broad base thus established. Many trade associations and trade publications provide such samples.

CHART 9. STORES AND SALES BY SALES-SIZE GROUPS: 1939



## ANALYSIS BY SALES SIZE

(Tables 10C to 10F and 11A to 11D)

Basic data on all retail stores in the United States in 1939 are presented herein by sales size (amount of annual business) by kinds of business and for each State in part 2 of volume I.

Size analyses are shown separately for independents and chains in seven size groups, the two extreme groups being further analyzed. All groups show stores, sales, personnel, and pay roll.

The seven groups are:

\$300,000 and over. <sup>1</sup>	\$20,000 to \$29,999.
\$100,000 to \$299,999.	\$10,000 to \$19,999.
\$50,000 to \$99,999.	Less than \$10,000. <sup>2</sup>
\$30,000 to \$49,999.	

<sup>1</sup>All stores over \$300,000 further analyzed in tables 11C and 11D.

<sup>2</sup>Independent stores under \$10,000 further analyzed in tables 10E and 10F.

## Chains and independents summarized by types.—

Chains include local, sectional, national, manufacturer-controlled, and leased-department chains, and also 24 mail-order houses of 5 companies which sell general merchandise by mail from catalogs. The latter are included because in the previously published State reports these mail-order houses were combined with department-store chains to avoid disclosure of individual operations. A summary by types follows.

## CHAIN UNITS SUMMARIZED BY TYPES

TYPE	Number of stores	Sales (add 000)	Percent of total sales
<b>Total</b> .....	<b>123, 219</b>	<b>\$9, 570, 114</b>	<b>22. 8</b>
Local chains.....	25, 455	1, 581, 386	3. 8
Sectional and national chains.....	82, 049	6, 771, 009	16. 1
Manufacturer-controlled chains.....	10, 123	583, 062	1. 4
Leased-department chains.....	5, 568	170, 368	. 4
Mail-order houses (general merchandise).....	24	464, 289	1. 1

Independents, for the purpose of this analysis, include all types of operation except chains and the 24 general merchandise mail-order houses. In addition to the conventional types of independent stores, this broad classification also includes market and roadside stands, leased departments when not operated by a chain, utility-operated stores (selling appliances which consume gas and electricity), house-to-house retailers, commissaries or company stores, cooperative stores, State liquor stores, some 410 mail-order houses in specialized fields, and miscellaneous other types. A summary by types follows.

**Small and large stores contrasted.**—More than 54 percent of all retail stores in the United States did less than \$10,000 of business in 1939. In sales, however, the 958,972 stores in this size group accounted for \$3,820,532,000, or only 9.1 percent of total retail sales. They provided employment to 933,603 proprietor-owners and nearly 400,000 paid employees, with a total pay roll to the latter of \$208,500,000. The compensation of proprietors is frequently arbitrary and uncertain, and the amount is not available.

## INDEPENDENTS SUMMARIZED BY TYPES

TYPE	Number of stores	Sales (add 000)	Percent of total sales
<b>Total</b> .....	<b>1, 647, 136</b>	<b>\$32, 471, 676</b>	<b>77. 2</b>
Single-store independents.....	1, 521, 145	27, 417, 200	65. 2
Multiunit independents.....	77, 845	3, 752, 509	8. 9
Market and roadside stands.....	18, 014	103, 162	. 3
Leased departments—Independent.....	7, 661	136, 988	. 3
Utility-operated stores.....	4, 836	151, 539	. 4
Direct selling (house-to-house).....	5, 199	153, 397	. 4
Commissaries or company stores.....	2, 007	148, 248	. 3
Farmer and consumer cooperative stores.....	3, 698	224, 375	. 5
State liquor stores.....	2, 618	249, 430	. 6
Mail-order houses (except general merchandise).....	410	73, 124	. 2
Other types of operation.....	3, 703	61, 704	. 1

Stores with sales exceeding \$100,000 accounted for only 3.5 percent of the number of stores; however, they accounted for \$17,810,916,000 or 42.3 percent of total sales, averaging nearly \$284,000 each. Of 62,727 stores in this group, 12,630 exceeded \$300,000 each and 1,530 exceeded \$1,000,000 each.

Sales by 62,727 stores of this size group (more than \$100,000 each) are still somewhat below the 45.7 percent reported for stores of the same size group 10 years before, but the ratio is considerably larger than the 38.6 percent which stores of this size group accounted for in 1935. This group in 1939 reported a total of 1,938,913 employees and a pay roll of \$2,308,548,000.

Following is a summary of stores and sales by size groups compared with 1935 and 1929:

ANALYSIS BY SIZE GROUPS (INDEPENDENTS AND CHAINS COMBINED) FOR 1939, 1935,<sup>1</sup> AND 1929<sup>2</sup>

SIZE GROUP <sup>3</sup>	STORES		SALES	
	Number	Per-cent	Amount (add 000)	Per-cent
<b>\$300,000 and over:</b>				
1939.....	12, 630	0. 7	\$9, 855, 631	23. 4
1935.....	8, 443	. 5	6, 879, 155	20. 9
1929.....	15, 029	1. 0	12, 323, 766	25. 5
<b>\$100,000 to \$299,999:</b>				
1939.....	50, 097	2. 8	7, 955, 285	18. 9
1935.....	37, 196	2. 4	5, 828, 224	17. 7
1929.....	62, 009	4. 2	9, 786, 669	20. 2
<b>\$50,000 to \$99,999:</b>				
1939.....	93, 318	5. 3	6, 394, 703	15. 2
1935.....	72, 562	4. 6	4, 989, 553	15. 2
1929.....	127, 148	8. 6	8, 631, 797	17. 9
<b>\$30,000 to \$49,999:</b>				
1939.....	133, 221	7. 5	5, 077, 007	12. 1
1935.....	119, 705	7. 5	4, 581, 413	14. 0
1929.....	173, 269	11. 7	6, 617, 169	13. 7
<b>\$10,000 to \$29,999:</b>				
1939.....	522, 117	29. 5	8, 938, 632	21. 3
1935.....	415, 165	26. 1	7, 114, 216	21. 6
1929.....	468, 885	31. 8	8, 349, 491	17. 3
<b>Less than \$10,000:</b>				
1939.....	958, 972	54. 2	3, 820, 532	9. 1
1935.....	935, 634	58. 9	3, 486, 428	10. 6
1929.....	630, 025	42. 7	2, 620, 720	5. 4

<sup>1</sup> Figures revised to exclude service garages classified in 1935 and 1929 as retail but included in the Service Census in 1939.

<sup>2</sup> Size groups for 1935 exceed the total by 987 stores and \$87,777,000 of sales, to avoid disclosures as explained in 1935 report (Retail Distribution: 1935, Vol. I, pp. 1-34).

Despite the great number of smaller stores, the size of the average store increased nearly 15 percent between 1935 and 1939, although it is still 27 percent below the average for 1929. In the 10-year period, however, the number of stores increased from 1,476,365 to 1,770,355 or 19.9 percent. The number and average sales size in 1939 compare with 1935 and 1929 as follows:

	1939	1935 <sup>1</sup>	1929 <sup>1</sup>
Number of stores.....	1,770,355	1,587,718	1,476,365
Total sales (add 000).....	\$42,041,790	\$32,791,212	\$48,329,652
Average size per store.....	\$23,748	\$20,653	\$32,736

<sup>1</sup> Figures revised to exclude service garages classified in 1935 and 1929 as retail but included in the Service Census in 1939.

**Independents and chains.**—Independents as defined herein constituted 93.0 percent of all stores in 1939 compared with 92.0 percent in 1935 and 90.4 percent in 1929. Their sales amounted to 77.2 percent of total sales in 1939, 75.8 percent in 1935, and 79.1 percent in 1929. Sales per store averaged \$19,714 in 1939, compared with \$17,022 in 1935 and \$27,835 in 1929.

Chains, with 17 percent less units than were in operation 10 years ago, increased their proportion of total sales from 20.0 percent in 1929 to 21.7 percent in 1939. Both the number of units and the chain sales ratio were lower in 1939, however, than they were in 1935. Sales per chain unit averaged \$73,914 in 1939, compared with \$59,231 in 1935 and \$66,435 in 1929. In the size groups herein, 24 mail-order houses selling general merchandise from catalog are included with chains. These large national mail-order companies averaged \$19,345,375 per mail-order unit in 1939. Average sales for previous years are not directly comparable because of changes in classification of certain small mail-order houses previously included. Retail stores operated by the same companies are classified as chain-store units and are not included in computing this average.

Summaries by type groups, for 3 census years and by size groups for 1939 and 1935, follow.

SUMMARY BY TYPES: 1939, 1935, AND 1929

TYPE	1939	Per-cent	1935 <sup>1</sup>	Per-cent	1929 <sup>1</sup>	Per-cent
Number of stores:						
Independents.....	1,647,136	93.0	1,460,230	92.0	1,395,000	90.4
Chain units.....	123,195	7.0	127,455	8.0	148,037	9.6
Mail-order (general mdse.)..	24		33		31	
Sales (add 000):						
Independents.....	\$32,471,676	77.2	\$24,855,712	75.8	\$38,832,783	79.1
Chain units.....	9,105,825	21.7	7,549,300	23.0	9,834,846	20.0
Mail-order (general mdse.)..	464,289	1.1	386,200	1.2	447,024	.9
Sales per store:						
Independents.....	\$19,714		\$17,022		\$27,835	
Chain units.....	73,914		59,231		66,435	
Mail-order (general mdse.)..	19,345,375		11,703,030		14,420,129	

<sup>1</sup> Figures for 1935 revised to exclude service garages; data to adjust 1929 figures are not available. Leased-department chains included with independents for 1935 and 1929.

<sup>2</sup> Average is not directly comparable with 1939 average sales.

SALES BY TYPES, BY SIZE GROUPS: 1939 AND 1935 (TYPES IN 1929 NOT AVAILABLE BY SIZE)

TYPE AND SIZE GROUP	SALES, 1939		SALES, 1935	
	Amount (add 000)	Per-cent	Amount (add 000)	Per-cent
Independents.....	\$32,471,676	100.0	\$24,855,712	100.0
\$300,000 and over.....	6,517,927	20.1	4,678,850	18.8
\$100,000 to \$299,999.....	5,305,745	16.3	3,900,835	15.7
\$50,000 to \$99,999.....	4,595,122	14.2	3,251,454	13.0
\$30,000 to \$49,999.....	4,084,207	12.6	3,414,761	13.7
\$10,000 to \$29,999.....	8,228,943	25.3	6,256,805	25.1
Less than \$10,000.....	3,739,732	11.5	3,406,957	13.7
Chains and mail order <sup>2</sup> .....	9,570,114	100.0	7,935,500	100.0
\$300,000 and over.....	3,337,704	34.9	2,200,305	27.6
\$100,000 to \$299,999.....	2,649,540	27.7	1,927,389	24.2
\$50,000 to \$99,999.....	1,799,581	18.8	1,738,099	21.8
\$30,000 to \$49,999.....	992,800	10.4	1,166,652	14.6
\$10,000 to \$29,999.....	709,089	7.4	857,411	10.8
Less than \$10,000.....	80,800	.8	79,471	1.0

<sup>1</sup> See footnote 2 of the table, "Analysis by size groups," page 48.

<sup>2</sup> Includes general merchandise mail-order houses. Remainder are included with independents.

**Larger stores analyzed.**—The independents and chain units whose sales exceed \$300,000 each, with aggregate sales of \$9,855,631,000 as shown above, number 12,630 stores. They are summarized in four size groups, as follows:

STORES WITH SALES OF \$300,000 AND OVER

SIZE GROUP	STORES		SALES	
	Number	Percent	Amount (add 000)	Percent
All stores over \$300,000.....	12,630	100.0	\$9,855,631	100.0
Over \$5,000,000 each.....	155	1.2	2,059,234	20.9
\$1,000,000 to \$4,999,999.....	1,375	10.9	2,450,307	24.9
\$500,000 to \$999,999.....	3,844	30.4	2,587,287	26.3
\$300,000 to \$499,999.....	7,256	57.5	2,758,803	27.9

**Smaller stores analyzed.**—Stores with sales of less than \$10,000 each, numbering 958,972 stores with aggregate sales of \$3,820,532,000, are shown by type, as follows:

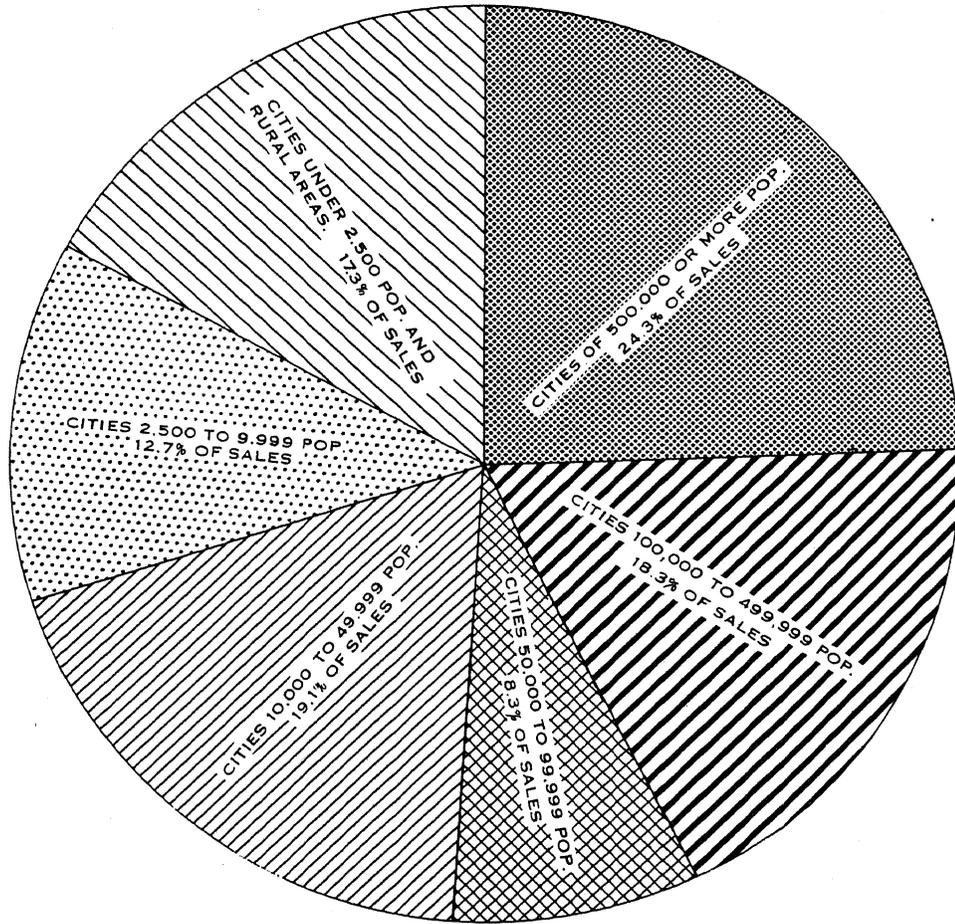
STORES WITH SALES OF LESS THAN \$10,000

TYPE	STORES		SALES	
	Number	Percent	Amount (add 000)	Percent
Total.....	958,972	100.0	\$3,820,532	100.0
Independents.....	943,533	98.4	3,739,732	97.9
Chains.....	15,439	1.6	80,800	2.1

CENSUS OF BUSINESS

CHART 10. SALES BY CITY-SIZE GROUPS: 1939

(Expressed as percents of United States total)

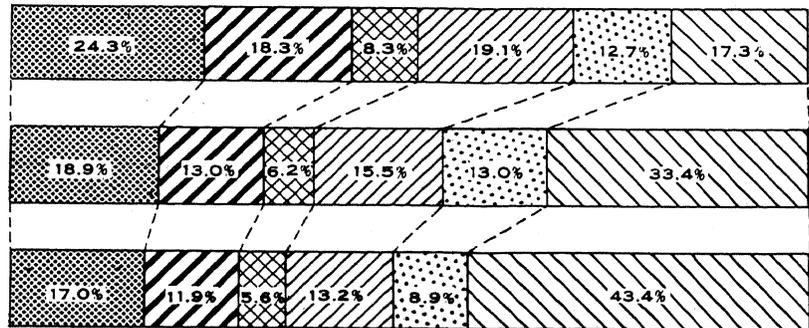


UNITED STATES TOTALS

SALES  
\$ 42,041,790,000

NUMBER OF STORES  
1,770,355

POPULATION, 1940  
131,669,275



The independent stores in this size group are further analyzed in the detailed tables herein (tables 10E and 10F) into five smaller size groups as follows:

SIZE GROUP	STORES		SALES	
	Number	Percent	Amount (add 000)	Percent
Independents under \$10,000..	943, 533	100. 0	\$3, 739, 732	100. 0
\$5,000 to \$9,999.....	330, 545	35. 0	2, 379, 165	63. 6
\$3,000 to \$4,999.....	200, 272	21. 2	788, 994	21. 1
\$2,000 to \$2,999.....	117, 342	12. 5	279, 972	7. 5
\$1,000 to \$1,999.....	145, 630	15. 4	214, 043	5. 7
Under \$1,000.....	149, 744	15. 9	77, 558	2. 1

**ANALYSIS OF SALES BY SIZE OF CITIES**

(Tables 17A to 17C, Inclusive)

Ranked in the order of retail sales size, the first 10 cities in the United States are New York, Chicago, Los Angeles, Philadelphia, Detroit, Boston, Cleveland, Washington, San Francisco and Baltimore. They are not in exactly the same order as their population rank, but the first 50 cities in population are the first 50 cities in retail sales with but three exceptions.

**FIFTY LARGEST CITIES IN ORDER OF RETAIL SALES RANK**

	RANK			RANK	
	Retail sales	Population		Retail sales	Population
New York City.....	1	1	Atlanta.....	26	28
Chicago.....	2	2	Rochester (N. Y.).....	27	23
Los Angeles.....	3	5	St. Paul.....	28	33
Philadelphia.....	4	3	Columbus (Ohio).....	29	26
Detroit.....	5	4	New Orleans.....	30	15
Boston.....	6	9	Memphis.....	31	32
Cleveland.....	7	6	Providence.....	32	37
Washington, D. C.....	8	11	Toledo.....	33	34
San Francisco.....	9	12	Louisville.....	34	25
Baltimore.....	10	7	Hartford.....	35	51
St. Louis.....	11	8	Akron.....	36	38
Pittsburgh.....	12	10	Richmond (Va.).....	37	45
Milwaukee.....	13	13	Dayton.....	38	40
Minneapolis.....	14	16	Syracuse.....	39	41
Buffalo.....	15	14	Omaha.....	40	39
Newark.....	16	18	Miami.....	41	48
Cincinnati.....	17	17	San Antonio.....	42	36
Kansas City.....	18	19	Birmingham.....	43	35
Seattle.....	19	22	Jersey City.....	44	30
Houston.....	20	21	San Diego.....	45	43
Indianapolis.....	21	20	Fort Worth.....	46	46
Portland (Oreg.).....	22	27	Worcester.....	47	44
Oakland.....	23	29	Oklahoma City.....	48	42
Denver.....	24	24	New Haven.....	49	54
Dallas.....	25	31	Long Beach (Calif.).....	50	53

A summary of facts pertaining to the cities listed above is as follows: Total, 50 cities; population, 32,716,137; percent of total United States population, 24.8 percent; retail sales, \$15,458,446,000; percent of total United States retail sales, 36.8 percent.

The first 100 cities in population include 89 of the first 100 cities in retail sales and the remaining 11 cities are exceeded in sales by cities of smaller size.

The first 150 cities in population include 132 of the first 150 cities in retail sales rank. The first 398 cities in sales rank, however, fail to include 39 of the 398 cities of more than 25,000 population. These 39 cities are outranked in retail sales by 14 cities with less than 20,000 population and 25 cities of 20,000 to just under 25,000 population.

Ranked in order of population the 398 cities of more than 25,000 population (of which one is Texarkana, straddling the State line with parts in two separate States) account for about 40 percent of the entire population of the United States. They are listed in order of retail sales rank in a table which follows (page 150). Below is a summary showing how they compare in total with the United States totals of population, stores, sales, personnel, and pay roll.

**SUMMARY OF ALL CITIES OF MORE THAN 25,000 POPULATION**

	United States totals	398 cities of more than 25,000 population	Percent of United States
Population.....	131, 669, 275	52, 219, 329	39. 7
Number of retail stores.....	1, 770, 355	781, 789	44. 2
Total sales (add 000).....	\$42, 041, 790	\$24, 740, 996	58. 8
Number of proprietors.....	1, 613, 673	682, 938	42. 3
Employees (average number).....	4, 600, 217	2, 914, 910	63. 4
Total pay roll (add 000).....	\$4, 529, 499	\$3, 121, 113	68. 9

Retail trade volume, however, does not coincide with population rank. The 398 largest cities referred to above fail to include 39 of the first 398 cities in the sales rank. If the cities whose population exceeds 25,000, were ranked instead on the basis of the 398 cities with the largest volume of retail sales, it would include 39 cities which are more important to trade centers than an equal number in the accompanying table. The population and retail sales of these 39 cities are shown in the following table:

**CITIES OF LESS THAN 25,000 POPULATION WHICH OUTRANK (IN SALES) 39 CITIES OF MORE THAN 25,000 POPULATION**

CITY	Population 1940	Retail sales (add 000)
LESS THAN 20,000 POPULATION		
1. Salinas, Calif.....	11, 586	\$14, 262
2. Santa Rosa, Calif.....	12, 605	13, 113
3. Asbury Park, N. J.....	14, 617	17, 100
4. Warren, Pa.....	14, 891	13, 248
5. Morristown, N. J.....	15, 270	14, 005
6. Mankato, Minn.....	15, 654	12, 778
7. Modesto, Calif.....	16, 379	19, 802
8. Klamath Falls, Oreg.....	16, 497	17, 321
9. Greensburg, Pa.....	16, 743	12, 760
10. Missoula, Mont.....	18, 449	14, 475
11. Rockville Centre, N. Y.....	18, 613	14, 029
12. Glens Falls, N. Y.....	18, 836	14, 956
13. Charlottesville, Va.....	19, 400	12, 740
14. Ithaca, N. Y.....	19, 730	14, 828
20,000 TO 24,999 POPULATION		
15. Vallejo, Calif.....	20, 072	12, 202
16. Freeport, N. Y.....	20, 410	13, 672
17. Eugene, Oreg.....	20, 838	18, 122
18. Hempstead, N. Y.....	20, 856	25, 146
19. Reno, Nev.....	21, 317	22, 873
20. Olean, N. Y.....	21, 506	13, 484
21. Uniontown, Pa.....	21, 819	19, 027
22. Middletown, N. Y.....	21, 908	12, 896
23. Kankakee, Ill.....	22, 241	14, 933
24. Danbury, Conn.....	22, 359	15, 602
25. Freeport, Ill.....	22, 366	12, 175
26. Cheyenne, Wyo.....	22, 474	13, 816
27. Fort Dodge, Iowa.....	22, 904	14, 669
28. Port Chester, N. Y.....	23, 073	12, 995
29. Billings, Mont.....	23, 261	18, 576
30. Champaign, Ill.....	23, 302	19, 703
31. Gloversville, N. Y.....	23, 329	12, 168
32. Pomona, Calif.....	23, 539	13, 050
33. East Liverpool, Ohio.....	23, 555	12, 575
34. Norwich, Conn.....	23, 652	12, 803
35. New Kensington, Pa.....	24, 055	12, 898
36. St. Cloud, Minn.....	24, 173	12, 288
37. Lockport, N. Y.....	24, 379	12, 695
38. Butler, Pa.....	24, 477	16, 420
39. Pottsville, Pa.....	24, 530	14, 282

**Metropolitan districts.**—The Bureau of the Census has designated as metropolitan districts 140 areas consisting of one or more central cities and all adjacent and contiguous minor civil divisions having a population of 150 or more per square mile. The metropolitan district is thus not a political unit such as a city, but rather an area including all the thickly settled territories in and around a city or group of cities. It tends to be a more or less integrated area with common economic and social interests.

Volume I of the Population Census describes the districts in detail, and contains the population of each component territory or area, and a map of each district. A series of 140 individual reports were also published reproducing the same maps and giving the stores, retail sales, store personnel, and pay roll within each district and a further break-down of stores and sales by 11 major business groups and 5 separate kinds of business.

The metropolitan districts contain many of the cities listed separately in the table of 398 cities herein, but they reflect also the amount of retail trade in the territory immediately surrounding the central cities. Thus, though Detroit outranks Boston in retail sales within the city limits, the Boston metropolitan district outranks the Detroit metropolitan district. Pittsburgh ranks 12th among cities, but the Pittsburgh metropolitan district ranks 8th. Minneapolis ranks 14th and St. Paul 28th as individual cities, but the Minneapolis-St. Paul district ranks 11th in retail sales. Albany, Schenectady, and Troy are relatively small cities when ranked individually, but the contiguous territory constituting the Albany-Schenectady-Troy metropolitan area ranks 23rd in retail importance among all markets in the United States. Many similar instances are shown in this report, of cities which loom up as of far more retail importance when measured in terms of their metropolitan districts than when measured within the corporate limits of a single political unit.

The 140 metropolitan districts, which are ranked in the order of retail sales herein, contained within their boundaries slightly more than one-half of all retail stores in the United States, the sales of which constituted 62 percent of total retail sales. These stores employ 65 percent of all retail employees and account for more than 70 percent of total retail pay roll. Summary information for these metropolitan districts showing 1940 population and rank; number of stores; 1939 retail sales and rank; active proprietors of unincorporated businesses; average number of employees; and total pay roll is presented in table 17C, page 157. Following is an alphabetical list of the metropolitan areas for ready identification:

ALPHABETICAL LIST OF METROPOLITAN DISTRICTS WITH RANK BY RETAIL SALES

METROPOLITAN DISTRICT	Retail sales rank	METROPOLITAN DISTRICT	Retail sales rank
Akron	35	Middletown-Hamilton	110
Albany-Schenectady-Troy	23	Milwaukee	15
Allentown-Bethlehem-Easton	43	Minneapolis-St. Paul	11
Altoona	111	Mobile	119
Amarillo	136	Moline-Rock Island-Davenport	67
Asheville	132	port	126
Ashland-Huntington	92	Montgomery	67
Atlanta	25		
Atlantic City	83	Nashville	56
Augusta	135	New Bedford-Fall River	55
Austin	106	New Britain-Hartford	20
		New Haven	39
Baltimore	13	New Orleans	31
Bay City-Saginaw	77	Newport News-Norfolk-Portsmouth	47
Beaumont-Port Arthur	90	New York City-Northeastern	1
Bethlehem-Allentown-Easton	43	New Jersey	14
Binghamton	75	Niagara Falls-Buffalo	14
Birmingham	42	Norfolk-Newport News-Portsmouth	47
Boston	5		
Bridgeport	53	Oakland-San Francisco	7
Buffalo-Niagara Falls	14	Oklahoma City	52
		Omaha-Council Bluffs	40
Canton	63		
Cedar Rapids	115	Peoria	69
Charleston, S. C.	127	Philadelphia	4
Charleston, W. Va.	88	Phoenix	84
Charlotte	99	Pittsburgh	8
Chattanooga	76	Port Arthur-Beaumont	90
Chicago	2	Portland, Maine	89
Cincinnati	16	Portland, Oreg.	22
Cleveland	9	Portsmouth-Newport News-Norfolk	47
Columbia	117	Providence	18
Columbus, Ga.	133	Pueblo	140
Columbus, Ohio	29		
Corpus Christi	121	Racine-Kenosha	97
Council Bluffs-Omaha	40	Reading	73
		Richmond	48
Dallas	27	Roanoke	104
Davenport-Moline-Rock Island	67	Rochester	28
Dayton	44	Rockford	102
Decatur	122	Rock Island-Moline-Davenport	67
Denver	26	Rome-Utica	68
Des Moines	59		
Detroit	6	Sacramento	54
Duluth-Superior	72	Saginaw-Bay City	77
Durham	139	St. Joseph	129
		St. Louis	10
Easton-Allentown-Bethlehem	43	St. Paul-Minneapolis	11
El Paso	105	St. Petersburg-Tampa	61
Erie	95	Salt Lake City	58
Evansville	93	San Antonio	50
		San Diego	49
Fall River-New Bedford	55	San Francisco-Oakland	7
Flint	64	San Jose	78
Port Wayne	81	Savannah	114
Port Worth	51	Schenectady-Albany-Troy	23
Fresno	79	Scranton-Wilkes-Barre	30
		Seattle	19
Galveston	131	Shreveport	96
Grand Rapids	57	Sioux City	107
Greensboro	130	South Bend	80
		Spokane	71
Hamilton-Middletown	110	Springfield-Holyoke	32
Harrisburg	70	Springfield, Ill.	103
Hartford-New Britain	20	Springfield, Mo.	134
Haverhill-Lawrence-Lowell	45	Springfield, Ohio	125
Holyoke-Springfield	32	Stockton	108
Houston	21	Superior-Duluth	72
Huntington-Ashland	92	Syracuse	46
Indianapolis	24	Tacoma	74
		Tampa-St. Petersburg	61
Jackson, Miss.	128	Terre Haute	116
Jacksonville	66	Toledo	34
Johnstown	100	Topeka	123
		Trenton	60
Kalamazoo	112	Troy-Albany-Schenectady	23
Kansas City, Mo.-Kansas City, Kans.	17	Tulsa	65
Kenosha-Racine	97		
Knoxville	87	Utica-Rome	68
Lancaster	91	Waco	138
Lansing	94	Washington	12
Lawrence-Haverhill-Lowell	45	Waterbury	85
Lincoln	109	Waterloo	120
Little Rock	98	Wheeling	82
Los Angeles	3	Wichita	86
Louisville	33	Wilkes-Barre-Scranton	30
Lowell-Haverhill-Lawrence	45	Wilmington	62
		Winston-Salem	121
Macon	137	Worcester	44
Madison	101		
Manchester	118	York	113
Memphis	37	Youngstown	36
Miami	38		

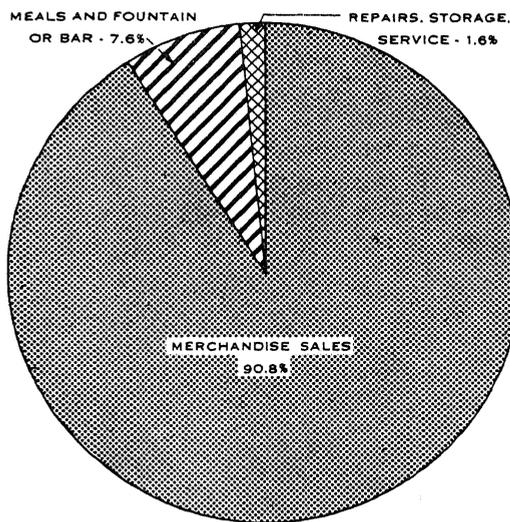
**ANALYSIS OF SOURCES OF RECEIPTS**

(Tables 14A to 14E)

Not all sales in retail stores are sales of merchandise alone. Although the great majority of goods sold in retail stores is sold in the same form in which it is bought, a certain amount of the reported sales represents receipts for repairs, storage and other services to customers, and a considerably larger proportion represents the sale of meals, and drinks at fountains or bars.

Of the \$42,041,790,000 total sales in 1939, nearly 91 percent or \$38,157,876,000 represents sales of merchandise which was sold in substantially the same form in which it was bought. Some \$3,201,112,000 or 7.6 percent represents the sale of meals and receipts from fountains and bars, while the receipts from repairs, storage, and other services totaled \$682,802,000 or 1.6 percent. It is significant that the nonmerchandise proportion of retail sales is steadily increasing.

CHART II. ANALYSIS OF SALES BY SOURCES OF RECEIPTS: 1939



This analysis of total retail business compares with similar analyses for previous years as follows:

ANALYSIS OF TOTAL RETAIL SALES, 1939, 1935, AND 1929

YEAR	TOTAL SALES	MERCHANDISE SALES		MEALS AND FOUNTAIN OR BAR		REPAIRS, STORAGE, AND SERVICES	
	Amount (add 000)	Amount (add 000)	Per cent	Amount (add 000)	Per cent	Amount (add 000)	Per cent
1939	\$42,041,790	\$38,157,876	90.8	\$3,201,112	7.6	\$682,802	1.6
1935	32,791,212	30,485,945	92.9	1,762,211	5.4	543,056	1.7
1929	48,329,652	45,620,038	94.4	1,774,831	3.7	928,783	1.9

**Repairs and service receipts.**—There is a marked difference between States in the proportion of retailers' receipts from repairs and services, the average of which,

for the United States, is 1.6 percent of total store sales. Below this average are such extensive areas as New England, the Middle Atlantic, South Atlantic, and East South Central. Well above the average are the West North Central, Mountain, and Pacific States.

There are differences of more than 100 percent between some States. The ratio to total sales is 1.1 percent or lower in Rhode Island, New Jersey, Delaware, and South Carolina, compared with 2.5 percent in North Dakota and Washington; 2.3 percent in Kansas 2.2 percent in South Dakota; and 2.1 percent in Minnesota, Iowa, Oklahoma, Oregon, and California. There are equally great differences in the ratio of receipts from meals and fountain or bar compared with total sales.

Comparisons by kinds of business are available in table 14A and by States in table 14B herein.

**Sales to other retailers for re-sale compared with wholesalers' sales at retail.**—Although 97.8 percent of sales of retail stores are transactions with ultimate consumers, some sales are made to other retailers for resale. The value of these approximately wholesale transactions totaled \$928,932,000 in 1939, or 2.2 percent of total sales of that year. The kind of business contributing most to this total was motor-vehicle dealers, many of whom though retailers are also distributors to smaller dealers in their franchise territories. Similar sub-agency relations exist in the sale of tires, fuel oil, hay, grain and feed, farm implements, dairy products, and, to a lesser extent, meats and certain groceries.

The total of \$928,932,000 of retailers sales to other retailers is offset by wholesalers sales directly to ultimate consumers, which the Wholesale Census shows to have aggregated \$696,928,000 in 1939 (see table 14C herein). The latter, however, does not include an estimated \$456,949,000 of gasoline and fuel-oil sales to household consumers by bulk stations and terminals. When these are included the total of wholesalers sales to ultimate consumers, as contrasted with their sales to dealers and industrial users, total \$1,153,877,000, not greatly different from the total of retailers sales to other retailers.

SALES TO OTHER RETAILERS FOR RE-SALE COMPARED WITH WHOLESALERS' SALES AT RETAIL

Retailers sales to other retailers, for resale	\$928,932,000
Total, wholesalers sales at retail	1,153,877,000
Wholesalers sales directly to ultimate consumers (from wholesale census)	696,928,000
Wholesalers sales of gasoline and fuel oil to household consumers (estimated by wholesale census)	456,949,000

Included in this report is a summary of the receipts of service establishments, analyzed by kinds of business (table 14D) and by States (table 14E). These are from the Census of Service Businesses, and provide a comparison between the business of service establishments and retailers' receipts from service sales.

## CENSUS OF BUSINESS

## NEGRO PROPRIETORSHIPS

(Tables 13A to 13D, Inclusive)

Nearly 30,000 retail stores in 1939 were owned and operated by Negro proprietors. There may have been others organized as corporations, in which the capital stock was owned by Negroes, but incorporated stores are not included in the 29,827 Negro proprietorships reported to the Census.

Retail sales of these stores in 1939 amounted to \$71,466,000, an increase of 49 percent over the corresponding sales for 1935 and comparable to the total of \$98,602,000 reported by 24,969 Negro proprietorships in 1929.

The 29,827 Negro-owned stores in 1939 provided employment for 10,220 full-time and 3,558 part-time paid employees. In addition, there were 29,116 active proprietors. Employment thus totaled 42,894, not including unpaid family members who worked in the stores on a full-time or part-time basis.

Pay roll totaled \$5,386,000, not including compensation of proprietors and firm members. Pay roll includes wages, salaries, and sales commissions, and the total paid in 1939 is equivalent to \$444 for each full-time employee and \$238 for each of those working part-time.

The number of employees (full-time and part-time) in Negro-owned stores represent an increase of 1,742 over the 12,036 reported in 1935, a gain of 14.5 percent. Total pay roll increased \$512,000, from \$4,874,000 in 1935. While the number of retail stores and employ-

ees has increased since 1929, pay roll is still about one-third less than in 1929.

Below is a summary of the basic data concerning Negro proprietorships on a comparable basis for the years 1939, 1935, and 1929:

YEAR	Negro population	Negro-owned stores	Sales (add 000)	Proprietors	Employees	Pay roll (add 000)	Stocks on hand (add 000)
1939.....	<sup>1</sup> 12,865,518	29,827	\$71,466	29,116	13,778	\$5,386	\$3,042
1935.....		22,756	47,968	23,036	12,036	4,874	( <sup>2</sup> )
1929.....	<sup>3</sup> 11,891,143	24,969	98,602	27,405	<sup>4</sup> 12,036	8,047	10,473

<sup>1</sup> 1940 Census.

<sup>2</sup> Data not available.

<sup>3</sup> 1930 Census.

<sup>4</sup> Represents full-time employees only; data for part-time employees not available.

Eating places alone constituted nearly one-third of all Negro-operated stores, followed in order by grocery and combination stores; drinking places; fuel, ice, and fuel-oil dealers; candy, nut, confectionery stores; and filling stations. These few kinds of business account for 87.2 percent of all Negro-operated stores. Data in more detail by kinds of business are shown in table 13A herein, and by States in table 13B. A comparison of stores, sales, personnel, and pay roll, by major groups and kinds of business, for the years 1939, 1935, and 1929 are shown in table 13C, and by States in table 13D. Reference is made to these tables for information on the number of Negro-operated stores in each kind of business, and in each State, the amount of their sales, the number of proprietors, the number of paid employees, and the amount of pay roll.