

CURRENT BUSINESS
REPORTS
BR-87-13

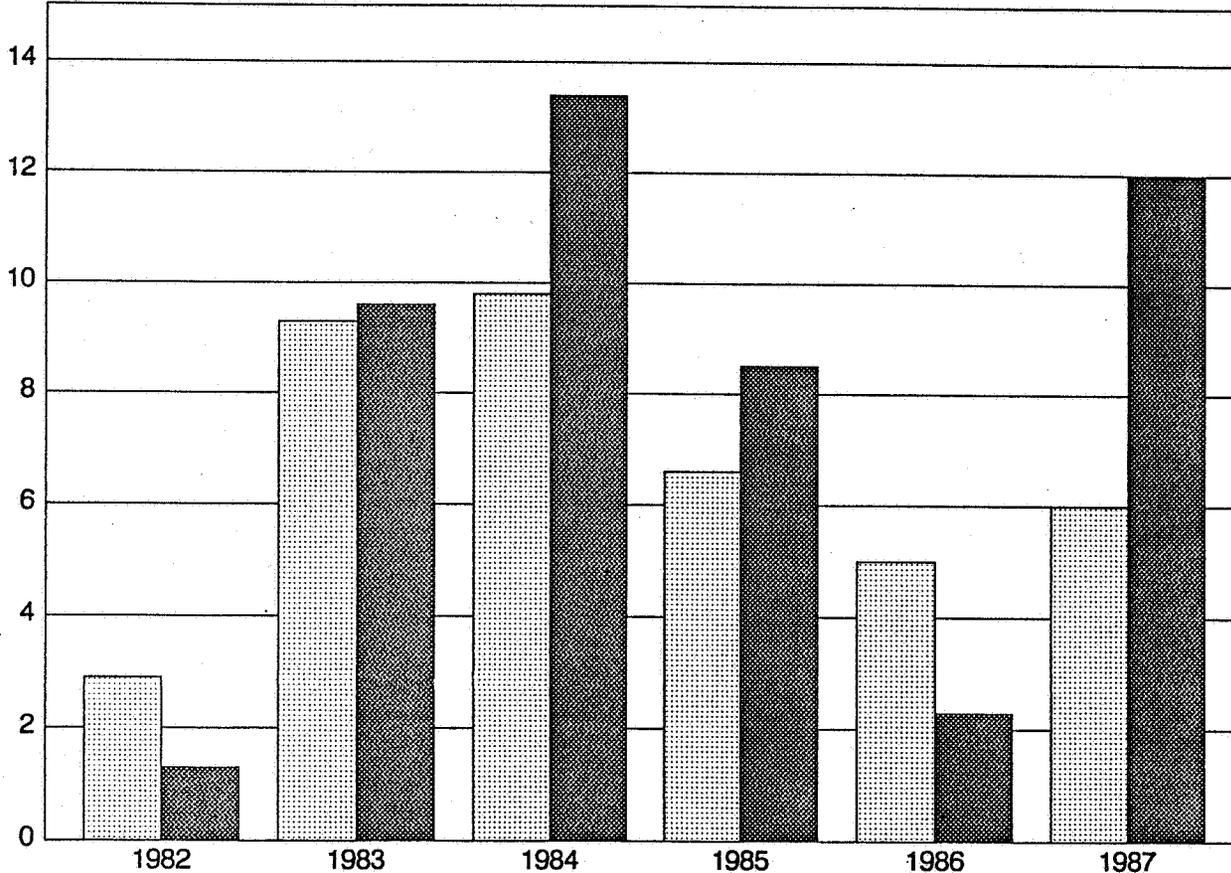
1987 Retail Trade

Annual Sales, Year-
End Inventories,
Purchases, Gross
Margin, and Accounts
Receivable, by Kind
of Retail Store

Percent Change in Sales and Inventories of All
Retail Stores Year-to-Year: 1982 to 1987

Percent

▨ Sales
■ Inventories



U.S. Department of Commerce
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Acknowledgments

This report was prepared in the Business Division under the general direction of **Dorothy Reynolds**, Assistant Division Chief for Current Retail Programs. Planning, implementing, and compiling this report were under the supervision of **Ronald Plencykoski**, Chief, Current Retail Inventory and Sales Branch, assisted by **Dorothy Engleking**, **William Owens**, **Herman Williams**, **Kirk Van Slyke**, **Eldridgina Houston**, **Patricia Borgstede**, **Anna Mahan**, **Joan Brown**, **Thelma Foster**, **Russell Young**, **James Thompson**, **Anthony Rivetti**, **Louis Garner**, **Lisa Houllhan**, **Cheryl Geter**, and **Victoria Hamill**.

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**1987
Retail Trade**

**Annual Sales, Year-
End Inventories,
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of Retail Store**

BR-87-13
Issued December 1988



**U.S. Department of Commerce
C. William Verity, Secretary
Donna F. Tuttle, Deputy Secretary
Robert Ortner, Under Secretary
for Economic Affairs**

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John G. Keane, Director**

APPENDIX

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Figure 2.
Estimated Sales of All Retail Stores, by Selected Kind of Business, as a Percent of Total Retail Sales: 1987

■ Durable
▨ Nondurable

DURABLE GOODS STORES, TOTAL 37.6

NONDURABLE GOODS STORES, TOTAL 62.4

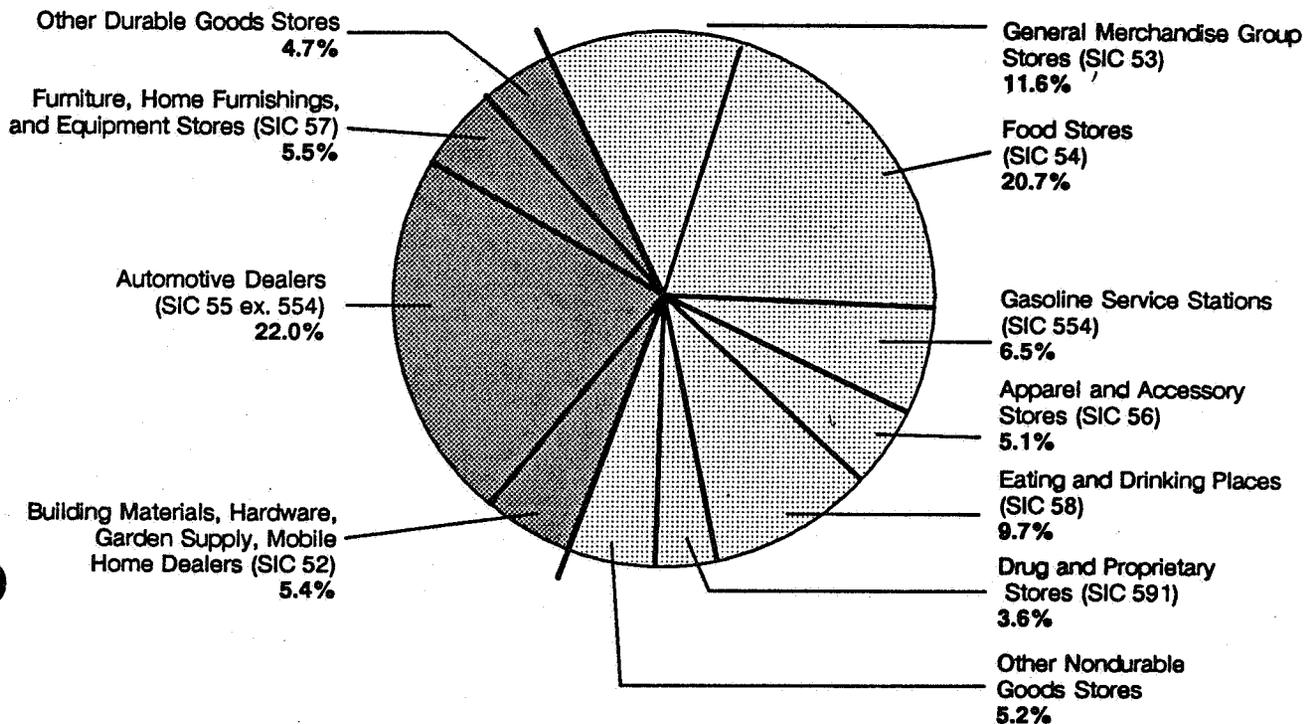


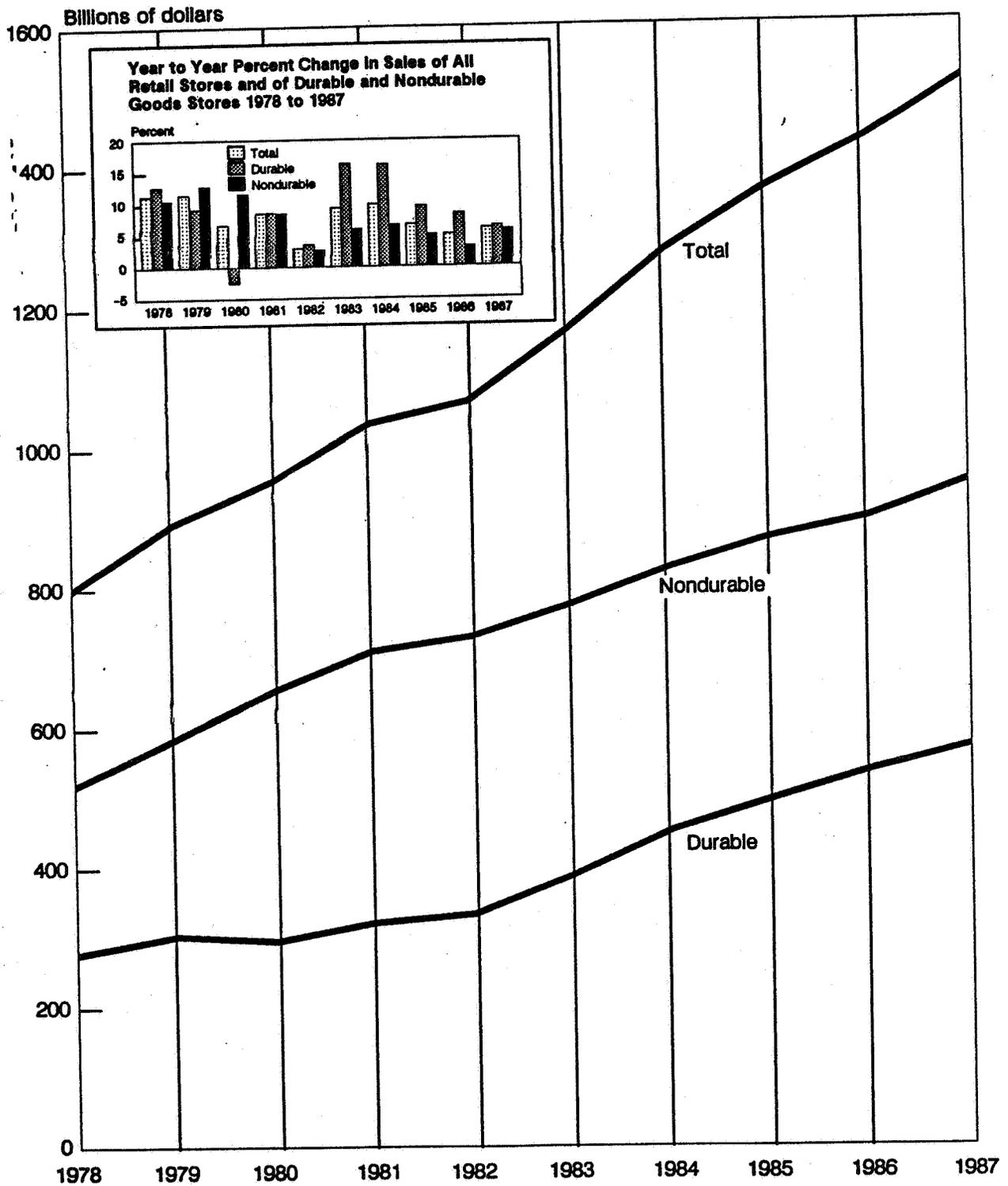
Table 3. Estimated Sales of Retail Stores, by Legal Form of Ownership and Kind of Business: 1987

SIC code	Kind of business	Total (millions of dollars)	Individual proprietorships (percent of total)	Partnerships (percent of total)	Corporations (percent of total)
	Retail trade, total	1,521,417	8	3	88
	Total (excluding automotive group)	1,186,988	10	3	86
	Durable goods stores, total	572,489	6	3	91
52	Building materials, hardware, garden supply, and mobile home dealers	81,549	5	3	91
55 ex. 554	Automotive dealers	334,429	2	(S)	95
57	Furniture, home furnishings, equipment stores	84,562	11	(S)	86
	Nondurable goods stores, total	948,928	10	3	86
53	General merchandise group stores	176,023	(S)	1	99
531	Department stores(ex. leased depts.)	146,431	(Z)	(Z)	100
54	Food stores	314,605	9	3	88
541	Grocery stores	295,270	8	3	89
554	Gasoline service stations	96,680	28	4	67
	Apparel and accessory stores	77,998	7	2	91
58	Eating and drinking places	147,717	13	7	79
591	Drug and proprietary stores	54,958	6	(S)	92

S Does not meet publication standards because of high sampling variability.
Z The amount is less than 1 percent of all forms of ownership combined.

NOTE: Measures of sampling variability are shown in table A-1. Total includes data for kinds of business and forms of ownership not shown separately. Legal form of ownership columns do not equal 100 percent due to rounding.

Figure 3.
Sales and Percent Change in All Retail Stores and for Durable
and Nondurable Goods Stores: 1978 to 1987



NOTE: The data represented graphically in the above chart are subject to the sampling variabilities as presented in table A-1.

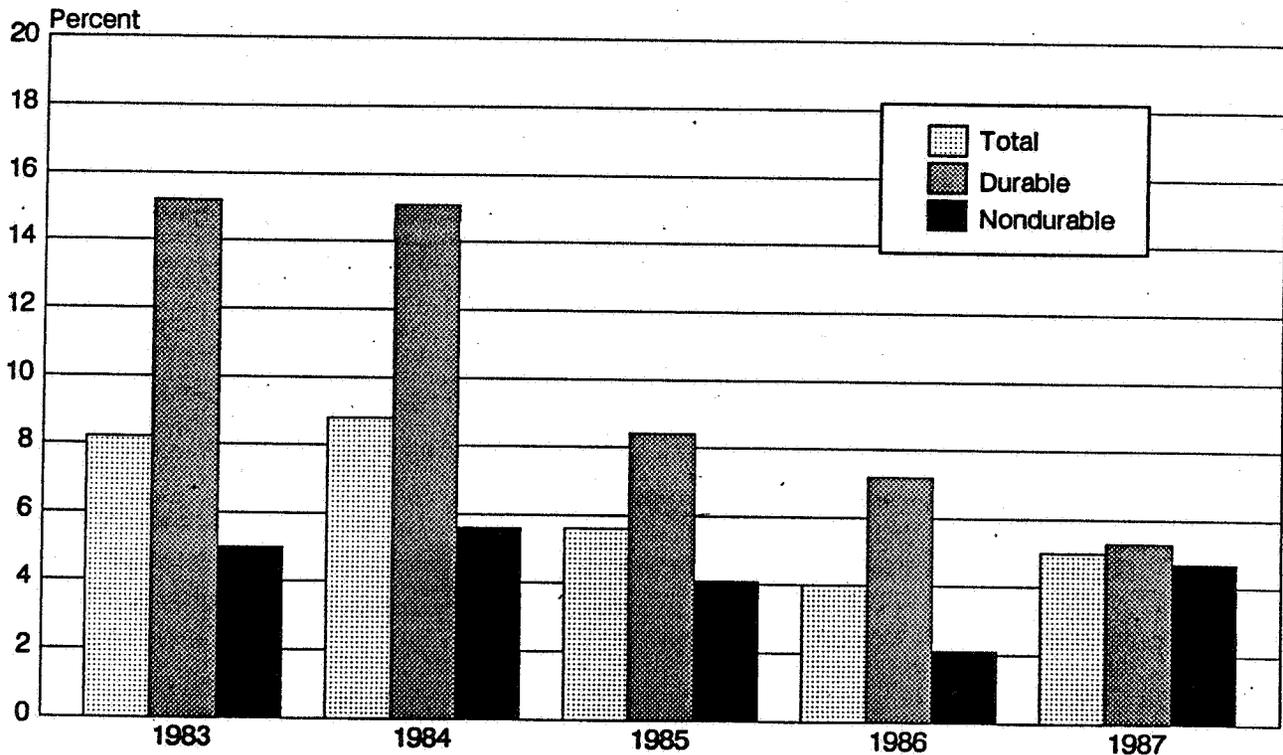
Table 4. Estimates of Civilian Population, Retail Sales, and Per Capita Sales: 1983 to 1987

Year	Civilian population estimates as of July 1 (thousands)	Retail Sales		Durable Goods Stores		Nondurable Goods Stores	
		Total (millions of dollars)	Per capita sales (dollars)	Total (millions of dollars)	Per capita sales (dollars)	Total (millions of dollars)	Per capita sales (dollars)
1983	232,589	1,167,934	5,021	390,889	1,681	777,045	3,341
1984	234,762	1,261,655	5,459	453,831	1,933	827,824	3,526
1985	237,031	1,365,846	5,762	496,643	2,095	869,203	3,667
1986	239,374	1,435,952	5,999	538,334	2,249	897,618	3,750
1987	241,661	1,521,417	6,296	572,489	2,369	948,928	3,927

U.S. Department of Commerce, Bureau of the Census, Current Population Reports, Series P-25 No. 1023, August 1988.

Note: The data presented in the above table are subject to sampling variability. However, measures of sampling variability for per capita sales are not available.

**Figure 4.
Percent Change in Per Capita Sales: 1983 to 1987**



Notes: The data represented by this graph are subject to sampling variability. However, the measures of sampling variability for these data are not available.

Sales estimates are not adjusted for price changes.

Source: U.S. Department of Commerce, Bureau of the Census, Annual Retail Trade Survey and Current Population Report, Series P-25 No. 1023, August 1988.

MERCHANDISE INVENTORIES

Inventories

Total inventories in retail stores and warehouses servicing retail establishments on December 31, 1987 were \$201.8 billion, 12.0 percent (± 1.2 percent) above the previous year-end level of \$180.2 billion. Stocks of durable goods were up 17.8 percent (± 2.2 percent) and nondurable goods inventories were up 6.2 percent (± 1.1 percent).

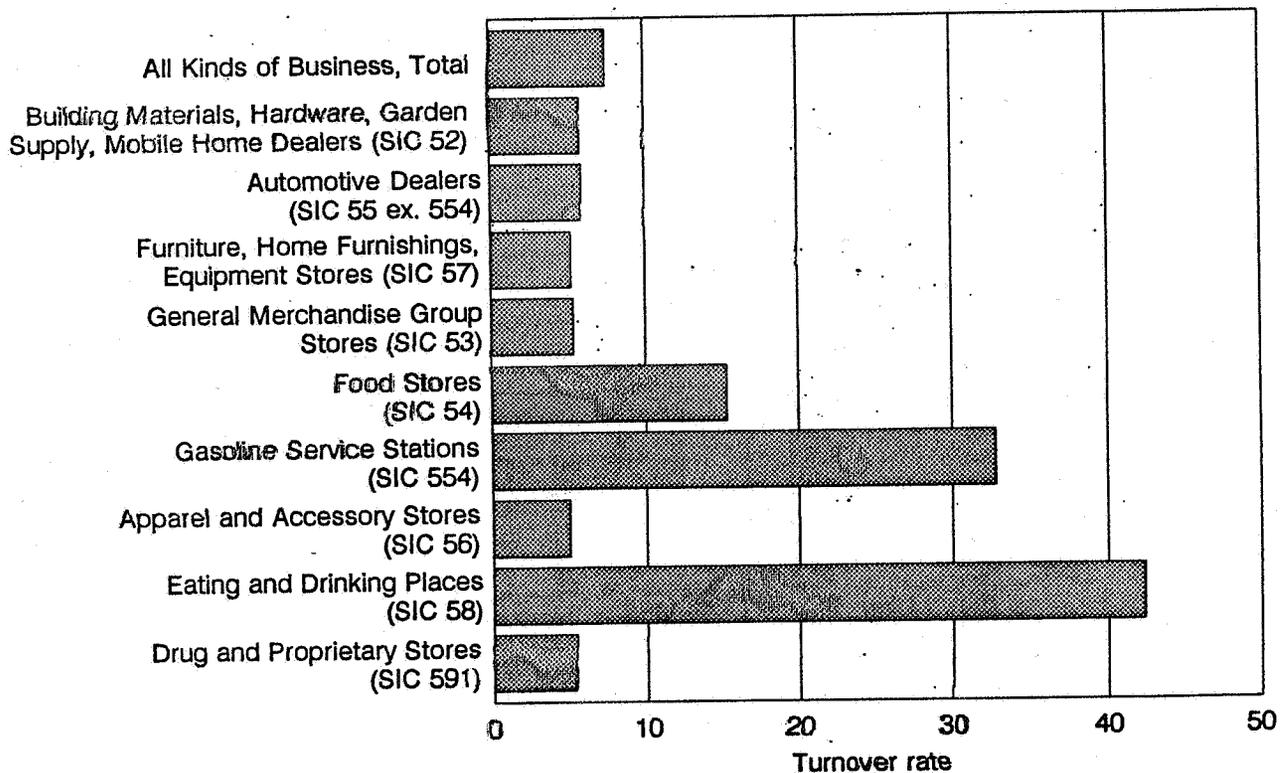
In the durable goods category, the automotive group was up 24.6 percent, building materials dealers were up 5.9 percent and the furniture group was up 6.8 percent.

In the nondurable goods category, general merchandise group stores were up 6.6 percent. Apparel stores were 7.2 percent above the 1986 level and drug stores were up 4.7 percent.

Sales/Inventory Ratios

Annual sales of all retail stores in 1987 were 7.5 times the cost of year-end inventories. The ratio of sales to year-end inventories for durable goods was 5.4 while the nondurable ratio was 9.9. The sales to inventories ratio for eating and drinking establishments was 42.4, while the ratio for the automotive group was 5.9. Food stores showed a sales to inventory ratio of 15.3 in 1987, and building materials dealers and general merchandise stores were 5.8 and 5.3, respectively. The furniture stores sales to inventory ratio was 5.2 and the ratio for apparel stores was 5.0 for 1987.

Figure 5.
Retail Sales/Inventory Ratios, by Selected Kind of Business: 1987
 (Annual turnover: 1987 sales divided by year-end inventories, at cost)



NOTE: The data represented graphically in the above chart are subject to the sampling variabilities as presented in table A-2.

Table 5. Estimated Retail Merchandise Inventories and Sales/Inventory Ratios, by Kind of Business: End of Year 1987 and 1986

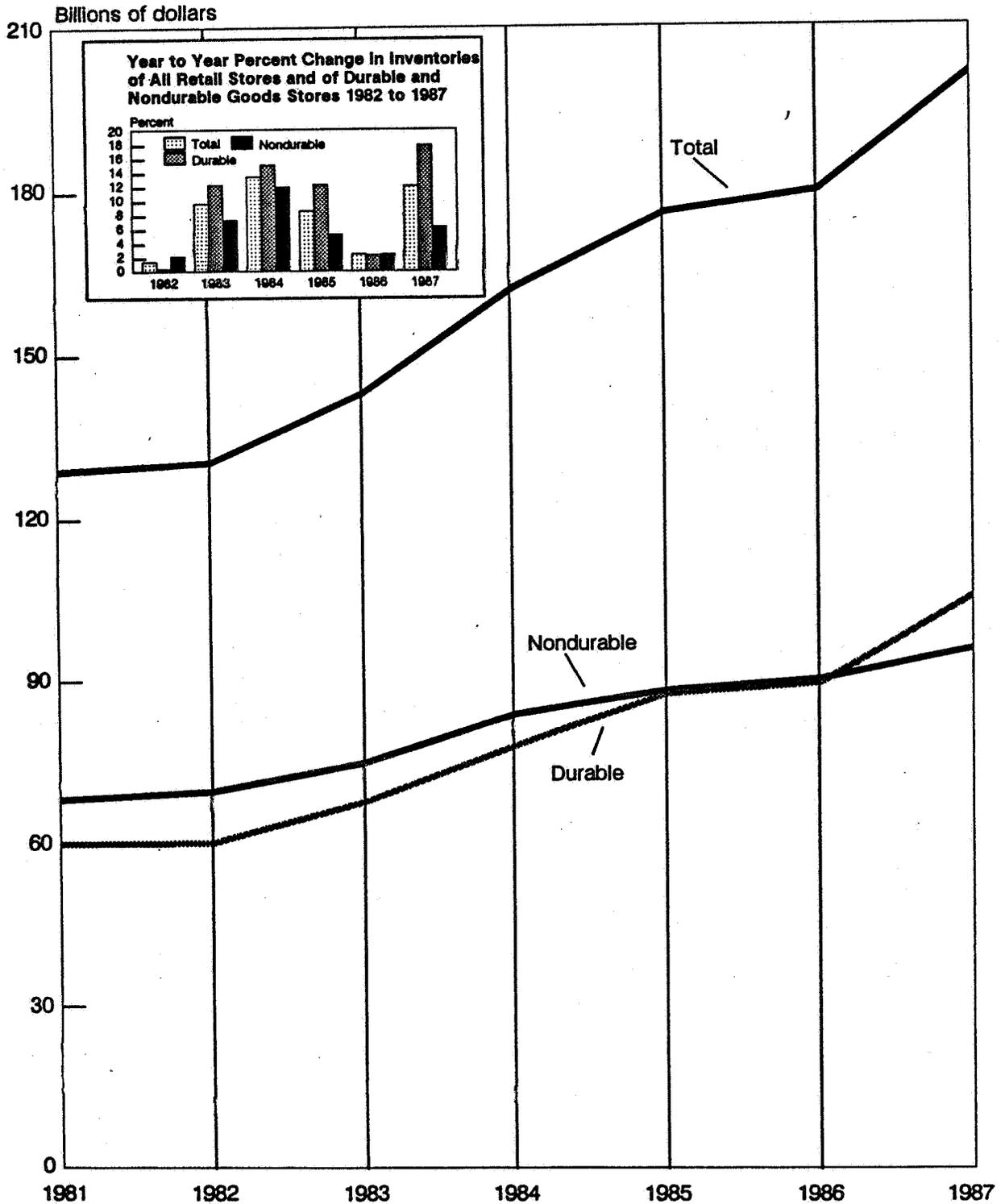
SIC code	Kind of Business	Merchandise inventories at cost (millions of dollars)			Sales/ inventories ratios ¹	
		1987	1986 revised	Percent change	1987	1986 revised
	Retail trade, total.....	201,799	180,201	+12.0	7.5	8.0
	Total (excluding automotive group).....	145,203	134,786	+7.7	8.2	8.3
52	Durable goods stores, total.....	105,716	89,736	+17.8	5.4	6.0
	Building materials, hardware, garden supply, and mobile home dealers.....	14,126	13,339	+5.9	5.8	5.7
521,3,5	Building materials, supply, hardware stores.....	12,173	11,670	+4.3	5.8	5.7
521,3	Building materials and supply stores.....	8,786	8,442	+4.1	6.6	6.4
525	Hardware stores.....	3,387	3,228	+4.9	3.9	3.8
55 ex. 554	Automotive dealers.....	56,596	45,415	+24.6	5.9	7.0
551,2,5, 6,7,9	Motor vehicle and miscellaneous automotive dealers.....	51,518	40,707	+26.6	6.0	7.2
551,2	Motor vehicle dealers.....	47,298	37,062	+27.6	6.1	7.5
551	Motor vehicle dealers (franchised).....	44,995	35,385	+27.2	6.1	7.5
553	Automotive and home supply stores.....	5,078	4,708	+7.9	5.4	5.4
57	Furniture, home furnishings, equipment stores....	16,231	15,199	+6.8	5.2	5.3
571	Furniture and home furnishings stores.....	7,765	7,324	+6.0	5.5	5.7
571,2	Furniture stores.....	5,201	4,999	+4.0	5.1	5.1
5722,32	Household appliance, radio, and TV stores.....	6,911	6,461	+7.0	5.2	5.2
5722	Household appliance stores.....	1,765	1,766	-0.1	5.7	5.8
5944	Jewelry stores.....	4,769	4,521	+5.5	2.5	2.5
	Nondurable goods stores, total.....	96,083	90,465	+6.2	9.9	9.9
53	General merchandise group stores.....	33,478	31,409	+6.6	5.3	5.3
531,9	Department stores, miscellaneous general merchandise stores.....	31,393	29,304	+7.1	5.3	5.4
531	Department stores (ex. leased depts.).....	26,510	24,688	+7.4	5.5	5.6
533	Variety stores.....	2,085	2,105	-1.0	3.9	3.9
54	Food stores.....	20,521	20,044	+2.4	15.3	15.0
541	Grocery stores.....	19,624	19,202	+2.2	15.0	14.8
554	Gasoline service stations.....	3,004	2,856	+5.2	32.8	34.1
56	Apparel and accessory stores.....	15,728	14,583	+7.9	5.0	5.1
561	Men's, boys' clothing, furnishings stores.....	2,139	2,026	+5.6	4.2	4.3
562	Women's ready-to-wear stores.....	4,638	4,109	+12.9	6.0	6.5
565	Family clothing stores.....	3,755	3,560	+5.5	5.2	5.0
566	Shoe stores.....	3,438	3,173	+8.4	4.1	4.3
58	Eating and drinking places.....	3,485	3,374	+3.3	42.4	40.1
591	Drug and proprietary stores.....	10,266	9,802	+4.7	5.4	5.2
592	Liquor stores.....	2,451	2,312	+6.0	7.9	8.5
53,56,57, 594	GAF, total. ²	81,758	74,917	+9.1	4.8	4.9

¹See explanatory material for an explanation of the method used to calculate sales/inventories ratio.

²GAF represents stores which specialize in department store types of merchandise (see explanatory material).

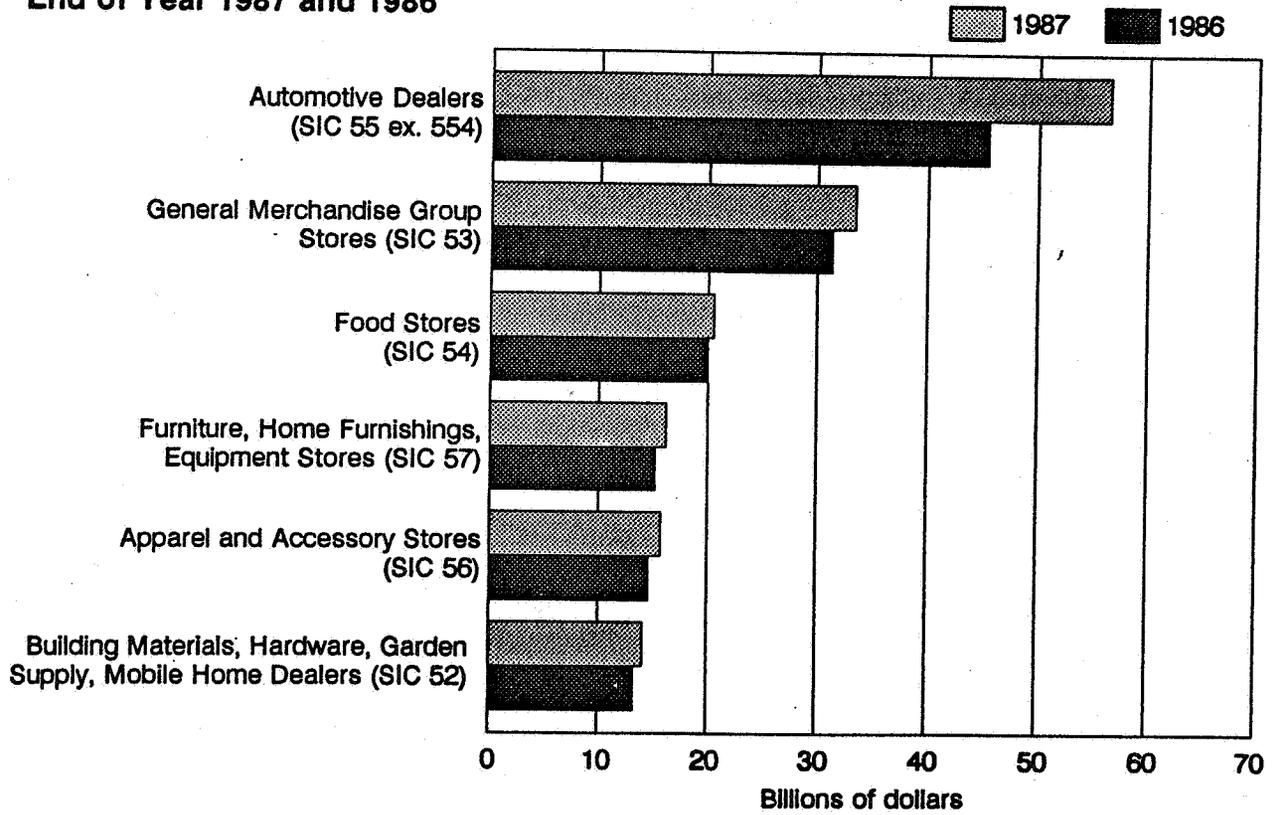
Note: Measures of sampling variability for levels and percent change are shown in table A-2. U.S. and group totals include kinds of business not shown separately.

Figure 6.
Year End Inventories and Percent Change of All Retail Stores and
for Durable and Nondurable Goods Stores: 1981 to 1987



NOTE: The data represented graphically in the above chart are subject to the sampling variabilities as presented in table A-2.

Figure 7.
Total Merchandise Inventories, by Selected Kind of Business:
End of Year 1987 and 1986



NOTE: The data represented graphically in the above chart are subject to the sampling variabilities as presented in table A-2.

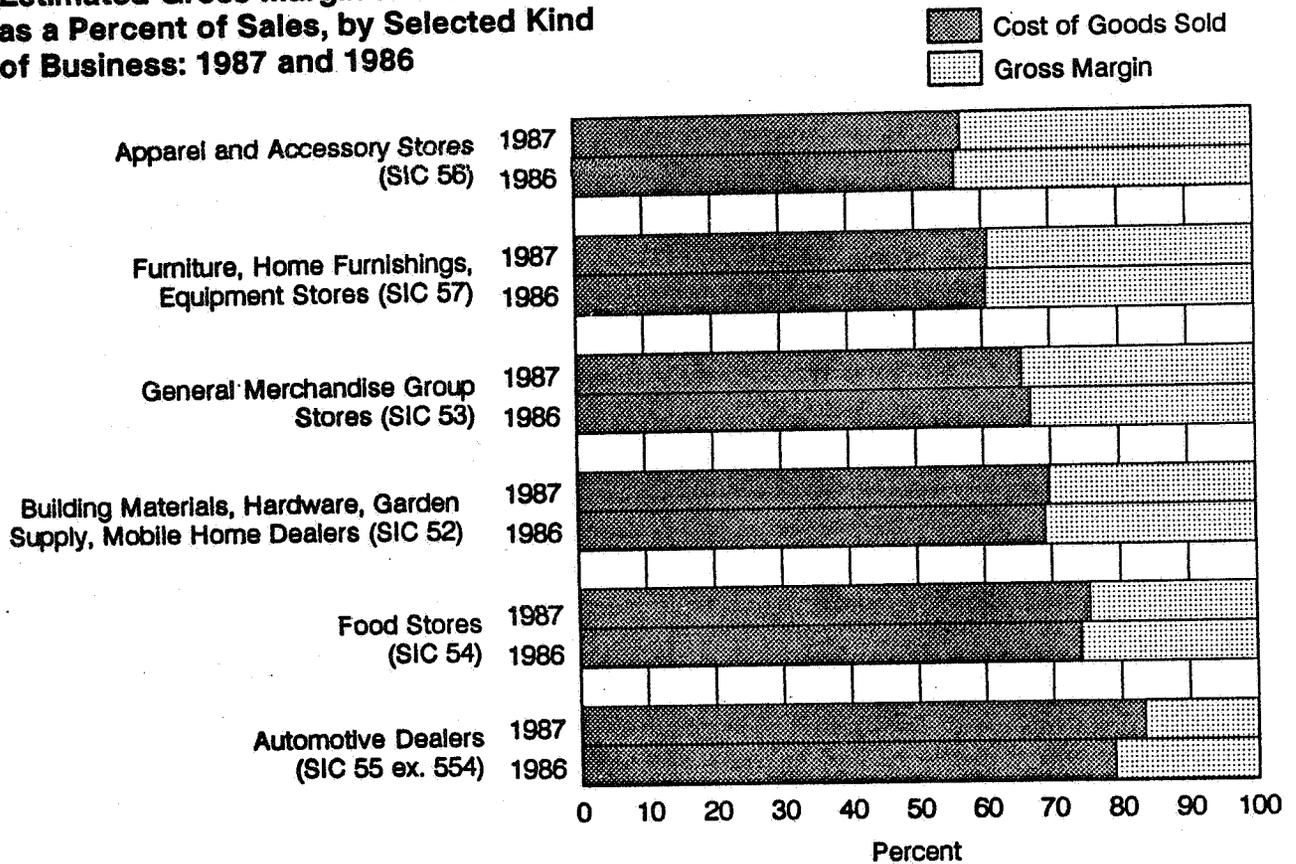
PURCHASES AND GROSS MARGIN

Purchases of all retail stores in 1987 were \$1,046.6 billion, up 5.1 percent from the 1986 level. The gross margin for total sales was \$496.4 billion, 32.6 percent of estimated sales.

For the durable goods category, the gross margin was \$161.3 billion, 28.2 percent of sales. The gross margin to sales ratio for the furniture group was 39.3 percent and 21.0 percent for the automotive group.

The gross margin for the nondurable goods category was \$335.1 billion, 35.3 percent of 1987 sales. The gross margin to sales ratio for eating and drinking places was 62.1 percent and 43.8 percent for apparel stores. General merchandise and food stores showed ratios of 32.9 and 25.8 percent, respectively. Gasoline service stations showed a gross margin to sales ratio of 22.2 percent.

Figure 8.
Estimated Gross Margin and Cost of Goods Sold
as a Percent of Sales, by Selected Kind
of Business: 1987 and 1986



NOTE: The data represented graphically in the above chart are subject to the sampling variabilities as presented in table A-2.

Table 6. Estimated Purchases, Gross Margin, and Gross Margin as a Percent of Sales, by Kind of Business: 1987 and 1986

(Millions of dollars)

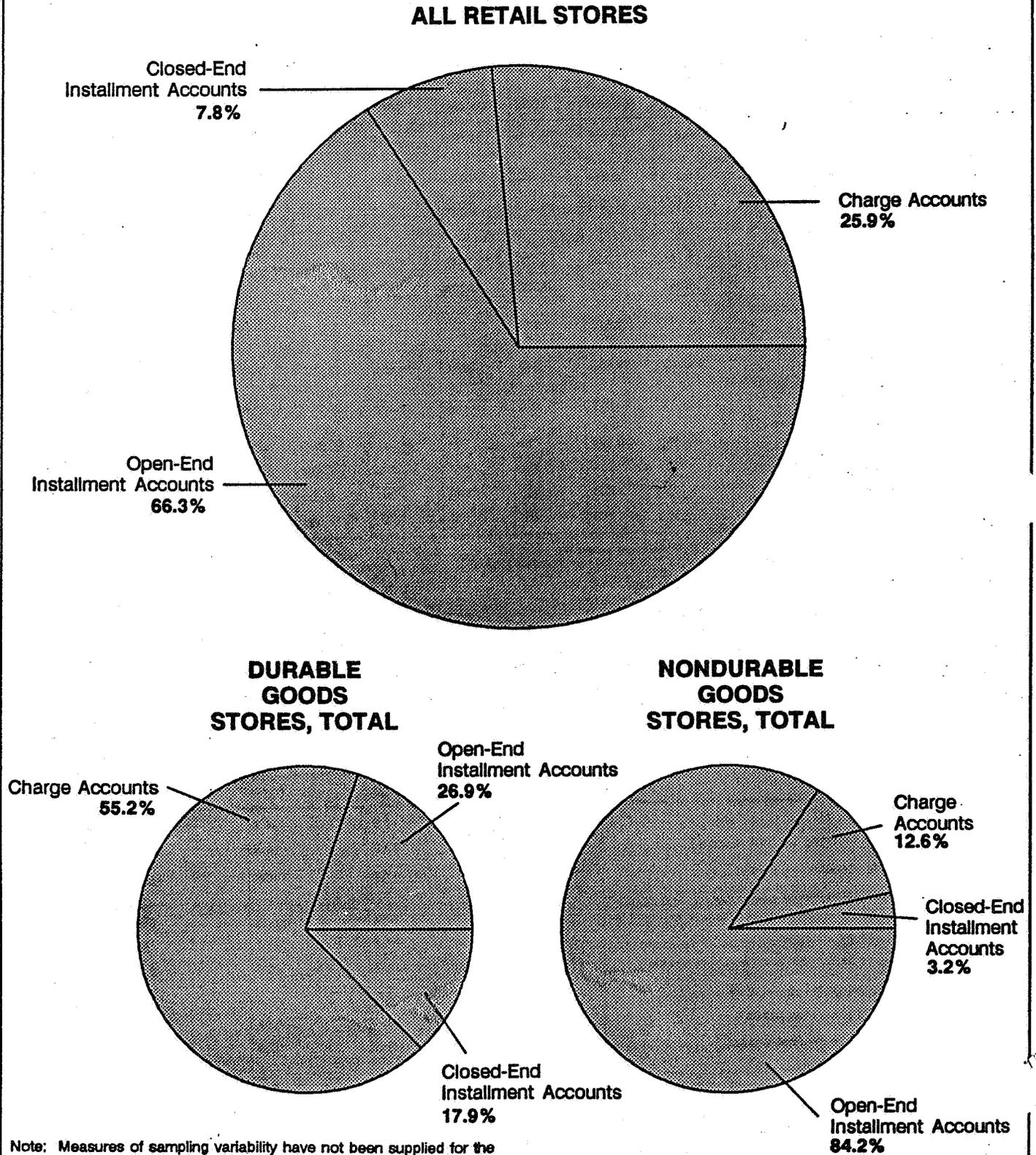
SIC code	Kind of business	Purchases		Gross margin ¹		Gross margin as a percent of sales	
		1987	1986 revised	1987	1986 revised	1987	1986 revised
	Retail trade, total	1,046,584	996,030	496,431	444,292	32.6	30.9
	Total (excluding automotive group) ..	771,209	729,520	426,196	391,211	35.9	35.1
	Durable goods stores, total	427,123	406,013	161,346	134,328	28.2	25.0
52	Building materials, hardware, garden supply, and mobile home dealers	57,248	53,255	25,088	22,888	30.8	30.2
521,3,5	Building materials, supply, hardware stores	50,469	46,945	21,097	19,900	29.7	30.0
521,3	Building materials and supply stores ...	41,667	38,804	16,586	15,558	28.6	28.8
525	Hardware stores	8,802	8,141	4,511	4,342	34.3	35.2
55 ex. 554	Automotive dealers	275,375	266,510	70,235	53,081	21.0	16.6
551,2,5, 6,7,9	Motor vehicle and miscellaneous automotive dealers	258,126	250,023	59,760	44,026	19.5	15.0
551,2	Motor vehicle dealers	244,032	236,508	55,540	40,729	19.2	14.7
551	Motor vehicle dealers (franchised) ...	232,829	227,527	51,319	37,726	18.7	14.2
553	Automotive and home supply stores	17,249	16,487	10,475	9,055	38.3	35.4
57	Furniture, home furnishings, equipment stores	52,362	49,839	33,234	31,420	39.3	39.1
571	Furniture and home furnishings stores ...	24,540	24,072	18,923	18,245	44.0	43.5
5712	Furniture stores	15,121	14,908	11,424	10,959	43.4	42.6
5722,32	Household appliance, radio, and TV stores	24,488	22,373	11,778	11,310	32.9	34.0
5722	Household appliance stores	7,236	7,520	2,772	3,023	27.7	29.3
5944	Jewelry stores	6,606	5,961	5,508	5,630	46.4	49.3
	Nondurable goods stores, total	619,461	590,017	335,085	309,964	35.3	34.5
53	General merchandise group stores	120,104	109,516	57,988	56,323	32.9	34.1
531,9	Department stores, miscellaneous general merchandise stores	114,842	104,202	55,125	53,542	32.8	34.1
531	Department stores (ex. leased depts.) ..	99,225	90,022	49,028	47,969	33.5	35.0
533	Variety stores	5,262	5,314	2,863	2,781	35.2	33.6
54	Food stores	234,052	227,633	81,030	73,832	25.8	24.5
541	Grocery stores	223,401	217,830	72,291	66,642	24.5	23.5
554	Gasoline service stations	76,958	76,761	21,870	20,169	22.2	20.7
56	Apparel and accessory stores	44,999	42,836	34,144	31,998	43.8	42.9
561	Men's, boys' clothing, furnishings stores ..	4,992	4,803	4,192	3,844	46.2	44.2
562	Women's ready-to-wear stores	15,888	15,364	12,347	11,517	44.6	43.1
565	Family clothing stores	11,889	11,017	7,735	6,853	39.8	38.4
566	Shoe stores	7,778	7,192	6,637	6,462	46.9	47.5
58	Eating and drinking places	56,082	51,463	91,746	84,027	62.1	62.1
591	Drug and proprietary stores	39,003	36,693	15,426	15,543	28.1	30.4
592	Liquor stores	14,167	14,660	5,430	5,000	27.9	25.5
53,56,57, 594	GAF, total. ²	251,582	231,778	149,561	139,916	37.9	37.9

¹See explanatory material for an explanation of gross margin.

²GAF represents stores which specialize in department store types of merchandise (see explanatory material).

Note: Measures of sampling variability for purchases are provided in table A-2.

Figure 10.
Types of Accounts as a Percent of Total
Accounts Receivable: 1987



Note: Measures of sampling variability have not been supplied for the estimates in this chart, but can be calculated as shown on page 19.

Appendix A. Explanatory Material

DEFINITION OF TERMS

Retail Trade

Retail trade, as defined in major groups 52 through 59 of the *Standard Industrial Classification Manual*, includes establishments engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of the goods. Exceptions to this general rule are made necessary by trade practices. For example, lumber yards and paint, glass, and wallpaper stores are included in retail trade if they sell to the general public, even if a higher proportion of their sales is made to contractors. Also, establishments engaged in selling products such as typewriters, stationery, or gasoline to the general public are classified in retail trade, even though such products may not be used for personal or household consumption. However, even within these areas of exception to the general rule, establishments that sell exclusively to business establishments, institutional and industrial users, or contractors are classified in wholesale trade.

Additional characteristics of retail trade establishments are that they usually operate at fixed places of business; they are engaged in activities to attract the general public to buy; they buy or receive merchandise as well as sell; they may process their products, but such processing is incidental or subordinate to selling; and they are considered as retail in the trade. Not all of these characteristics need be present, and some are modified by trade practice.

Kind-of-business classifications as assigned in the Standard Industrial Classification (SIC) system are not interchangeable with commodity classifications. Most businesses sell several kinds of commodities. The SIC code assigned generally reflects the individual commodity, the commodity group which is the primary source of the establishment's receipts, or some mixture of commodities which characterizes the establishment's business. Consequently, classification of establishments by SIC generally does not make it possible to determine either the number of establishments handling a particular commodity or the sales of that commodity. For example, the food group classification excludes stores selling food if the sale of food is not the primary source of receipts; moreover, even though stores are classified as food stores, some of their receipts may be derived from the sale of nonfood products.

Data for leased departments and concessions are considered separate establishments and are tabulated in the kind-of-business category of the leased department or

concession. For department stores only, sales estimates were computed both with and without leased departments and concessions in their stores while all other data items exclude the leased departments and concessions.

Sales

Sales include the following: Merchandise sold for cash or credit at retail and wholesale by establishments primarily engaged in retail trade; amounts received from customers for layaway purchases; receipts from rental or leasing of vehicles, equipment, instruments, tools, etc; receipts for delivery, installation, maintenance, repair, alteration, storage, and other services; and gasoline, liquor, tobacco, and other excise taxes which are paid by the manufacturer or wholesaler and passed along to the retailer. Sales are net after deductions for refunds and allowances for merchandise returned by customers. Trade-in allowances and manufacturers' rebates are not deducted from total sales, however, rebates offered by the retailer are deducted. Total sales do not include commissions from vending machine operators or the sale of lottery tickets. Also excluded is non-operating income from such sources as investments, rental or sale of real estate, etc.

Sales exclude sales and excise taxes collected directly from customers and paid directly to a local, State, or Federal tax agency. The sales tax percentages shown in table 2 were derived from separate reporting of these taxes on the annual survey by the retail firms selected. Also excluded from sales are receipts from customers for carrying or other credit charges.

The sales figures represent total sales and receipts of all establishments primarily engaged in retail trade. They do not include sales at retail by manufacturers, wholesalers, service establishments, and others whose primary activity is other than retail trade.

Merchandise Inventories

Merchandise inventories include stocks of goods (valued at cost) held for sale through retail stores. Methods of valuation may vary according to the accounting practices of the firm. Merchandise inventories are shown for stores and warehouses servicing retail establishments. Included are only those warehouses which maintained supplies of merchandise primarily intended for distribution to retail stores within the organization.

Merchandise inventories exclude the value of fixtures, furnishings, equipment, and supplies used in store and warehouse operations and not held for resale. Inventories were reported as of the close of the calendar year, except for some businesses which used a fiscal year rather than a calendar year for accounting purposes. About 25 percent of the retail inventories total refers to a fiscal-year end other than December 31, but this varied by kind of business (from about 68 percent for stores in the general merchandise group to about 5 percent for automotive dealers). Inventory data for a date other than December 31 have been adjusted to a December 31 figure based on ratios developed from the Monthly Retail Inventory Survey.

The sales/inventory ratios shown in table 5 indicate the relationship of annual sales to December 31 inventories and are derived by dividing annual sales (table 1) by the cost value of inventories (table 5).

Purchases, Cost of Goods Sold, and Gross Margin

Purchases. Purchases represent the total cost, after deduction of returns and discounts for early payment of merchandise which was purchased for resale during the year, whether or not payment for the merchandise was made during the year. Purchases data include cash and credit purchases made at central offices and company warehouses, but exclude deliveries from central offices or warehouses to the retail store. Also included are the cost of freight, delivery and other transportation costs, import duties, goods in transit where title has passed to the purchaser, and amounts allowed for trade-ins exclusive of rebates and discounts granted as an increase in trade-in allowance.

Companies engaged in both manufacturing and retail operations were asked to report purchases at the cost value of intercompany transfers from their plants or warehouses to their retail stores. These companies were also requested to report the cost of outside purchases.

Purchases exclude expenditures for supplies or equipment intended for company use rather than for resale, and also goods involved in the purchase price of the business.

Cost of goods sold. This item is not shown separately in this report. Cost of goods sold was calculated by adding all purchases (net of returns, allowances, and discounts but including charges for freight, insurance, etc.) during the year to the December 31, 1986 inventory to obtain cost of goods available for sale. Cost of goods sold was obtained by deducting the December 31, 1987 inventory from cost of goods available for sale.

Gross Margin. This item represents total sales less cost of goods sold. Gross margin includes the cost of all materials (as distinguished from goods to be resold) and

services provided in retail establishments whether provided by the retail firm itself or purchased by it from others. Also included are other operating items such as rents, utilities, profit or loss, etc..

Accounts Receivable Balances

Retail accounts receivables are amounts owed to retail stores by their customers for purchases made on credit. The data in this report refer to receivables outstanding as of the end of the year, including receivables against which the firm has borrowed. However, credit paper discounted or sold to others (e.g., consumer credit paper sold to financial institutions or collecting agencies) and amounts actually charged off as bad debts are excluded. Also excluded are amounts charged on credit cards issued by oil companies, banks, and other such organizations that issue credit cards.

Charge accounts are credit accounts for which full payment is scheduled to be made at the end of the customary billing period.

Installment accounts are credit accounts for which payment is scheduled to be made in two or more parts. These accounts represent two major types—open-end and closed-end.

Open-end installment accounts are primarily revocable or optional accounts where a deferred payment privilege is extended through a line of credit and the customer has the option of paying the balance in full (usually with no finance charge) or paying in two or more installments subject to some minimum required payment with a finance charge usually assessed.

Closed-end installment accounts are those generally requiring a new contract to cover each extension of credit. A precomputed finance charge is assessed at the time credit is extended and specified fixed schedules of installment payments are established with the number and the amount of payments and due dates specified in the contract.

GAF

GAF includes the following: General merchandise group stores (SIC 53); apparel and accessory stores (SIC 56); furniture, home furnishings, and equipment stores (SIC 57); and miscellaneous shopping goods stores (SIC 594). GAF represents stores which specialize in department store types of merchandise.

Unpublished Data

Selected additional data, such as dollar volume sales estimates for some kinds of business not separately shown in this report, are produced as a byproduct of the regularly published statistics. These additional data have

not been included in this publication because of high sampling variability or nonresponse. The Bureau of the Census, on written request, will release such figures for individual use for a fee. The estimates should be used with caution and should not be published. It should be noted that some unpublished figures can be derived directly from this report by subtracting published data from their respective totals. However, the figures obtained by such subtraction would be subject to the high sampling variability or nonresponse described previously for unpublished kinds of business.

SAMPLE DESIGN AND RELIABILITY OF DATA

Description of Sample

The 1987 Annual Retail Trade sample consists of sampling units tabulated in the production of monthly estimates of retail sales published in the Current Business Reports Series BR, *Monthly Retail Trade*. Specifically, it consists of all sampling units in the list component of the sample for the months of December 1987 and January 1988 and in the area component for November and December 1987 and January 1988. The list component also includes sampling units that did not contribute to the December 1987 and January 1988 estimates, but were active sometime in 1987. The list component is composed of a fixed panel of large businesses, most of which were selected with certainty, and three rotating panels of smaller businesses. The area component consists of twelve panels of land segments. In the monthly survey, only one rotating panel in the list component and only one rotating panel in the area component, plus the list component's fixed panel, are canvassed in any given month. In the annual retail trade survey, two rotating list panels, the fixed panel, and three rotating area panels are used.

List Sample. The list sample is a probability sample selected initially from the retail employers (Standard Industrial Classification (SIC) 52-59) contained in the Bureau's Standard Statistical Establishment List (SSEL), which effectively covers all employers who made social security payments for their employees under the Federal Insurance Contributions Act (FICA) during 1984.

The list sample originally was drawn from the SSEL as updated to December 31, 1984. The initial SSEL consisted of two lists. The first list was made up of all employer identification (EI) numbers (assigned in connection with FICA) with reported payroll in at least one quarter of 1984. The second list consisted of all establishments of known multiestablishment companies as of December 31, 1984. These lists contained information on sales/receipts, payroll, employment, name and address, kind-of-business classification, etc.

Before the sampling frame was available, a study was made of the universe of retail businesses using files from the 1982 Census of Retail Trade. This study determined

the stratification of the sampling units based on 1982 sales and kind of business, and also determined the optimal allocation of the sample necessary to meet specified sampling variability objectives for sales estimates for different kind-of-business groups. The primary stratum boundary determined in the study was the certainty cutoff to be used for each kind of business. The cutoff, which ranged from annual sales of \$3.8 million to annual sales of \$68 million, was particularly important since it also determined the type of sampling unit.

Sampling units for the list sample consisted of both companies and EI's. For an EI to be eligible for the initial list sample, the EI had to be active, i.e., had payroll in 1984 and was on the latest available Internal Revenue Service (IRS) mailing list for FICA taxpayers. If a known company had total retail sales (on a 1982 basis) above the cutoff for its major kind of business, the company was selected for the sample with certainty (i.e. probability = 1.0). The company, which might consist of two or more EI's, was then the sampling unit; therefore, any new retail establishments that the company might acquire, even if under new or different EI's, were in the sample with certainty. Single-establishment companies, whether or not selected with certainty, were considered as EI sampling units.

All retail companies not selected with certainty were treated on an EI basis; that is, the EI number was the sampling unit. The EI numbers were then stratified according to their major kind of business and their estimated sales (on a 1982 basis). Within each stratum, a simple random sample of EI's was selected. The sampling rates for these EI numbers varied between 1 in 3 and 1 in 1,120. Three such samples of EI numbers, called panels, were drawn. Since two of the panels were canvassed in the annual retail trade sample, the sampling rates varied between 1 in 1 and 1 in 560.

For all EI "births" after the initial selection, a two-phase selection procedure was used. EI births are new EI's recently assigned by the IRS with a kind-of-business classification assigned by the Social Security Administration (SSA), and currently on the IRS mailing list for FICA taxpayers. In the first phase, births were stratified by kind of business and size (expected employment or quarterly payroll). A relatively large sample was drawn and canvassed for a more reliable measure of size (sales in 2 recent months) and a more detailed kind-of-business code, if needed.

Using this more reliable information, the births selected in phase 1 were subjected to probability-proportional-to-size sampling with overall probabilities equivalent to those used in drawing the initial sample from the 1984 SSEL. Because of the lag in reporting births to the IRS and the SSA and the time needed to accomplish the two-phase birth-selection procedure carried out quarterly, births were actually added to the sample approximately 12 to 18 months after they began operation. During this period, they were represented by the area sample.

To be eligible for list sample canvass and tabulation in a given month, a retail noncertainty business must meet both of the following requirements:

1. It must be on the latest available IRS mailing list for the FICA taxpayers.
2. It must have been selected from either the SSEL or the file of employer births. For this purpose, a universe file of all retail businesses ever given a chance of selection is maintained. This file shows, among other things, which EI numbers actually have been selected.

For businesses that were selected into the sample with certainty, the first requirement is changed. These certainty sampling units are not dropped from canvass and tabulation if they are no longer on the IRS mailing list. Rather, these businesses are contacted, and, if there are successor businesses, they are added to the survey. This is a tighter form of control for the larger businesses.

Area Sample. The area sample is a multistage sample. In the first stage, 12 primary sampling units (single counties or small groups of contiguous counties) were selected with certainty and 47 were drawn with probability proportional to size (population). In succeeding stages, a sample of small land segments was selected in each primary sampling unit (PSU) and was then divided into 6 or 12 area panels to be used in different months on a rotating basis. These land segments contained an average of four retail establishments at the time of selection. The probability of selection of the segments is usually 1 in 1,000 (1 in 2,000 or 1 in 3,000 in the smallest PSU's). Approximately 420 land segments are enumerated each month.

In the annual retail trade survey sample, three area sample panels are used. This reduces the overall sampling rate to 1 in 333.3 (1 in 666.7 or 1 in 1,000 in the smallest PSU's).

All retail establishments in these selected land segments are canvassed. Sufficient information (mainly concerning the EI number) is obtained to determine whether the business has had a chance of selection in the list sample component. If it has no EI number or if its EI number fails to match either the list sample universe or the current FICA mailing list, it is tabulated in the area sample. The area sample thus includes businesses without employees and employers, mainly recent EI "births," not represented in the list sample.

Group II. Group II consists of companies which had 11 or more retail establishments as of December 31, 1984, and which qualified for certainty selection.

ESTIMATION

The sales, purchases, and inventories estimates published in this report are derived from the Annual Retail Trade Survey estimates. Data from the Annual Retail

Trade Survey are based upon the summation of weighted data from sampling units in the survey (see sample design above). The assigned weights are the inverse of the probability of selection (or sampling rate) of the sampling units.

Sales, Inventories, Purchases, and Accounts Receivables

The 1987 sales, inventories, purchases, and accounts receivables estimates published in this report were developed from summations of weighted data from the 1987 Annual Retail Trade Survey. The estimates of total inventory published in this report represent stocks of merchandise, valued at cost, on hand for sale by retail establishments. Methods of valuation may vary according to the accounting practices of the firms. However, the estimates provided are on a non-LIFO basis. The 1986 estimates were developed from the 1986 Annual Retail Trade Survey unless indicated as revised from the 1987 Annual Retail Trade Survey.

RELIABILITY OF DATA

An estimate based on a sample survey will differ from the population value because of sampling variability, nonsampling error. Sampling variability occurs because observations are made only on a sample not on the entire population. Nonsampling errors can be attributed to many sources in the reporting, collection, and processing of data. The accuracy of a survey result is determined by the joint effects of sampling variability and nonsampling errors.

The particular sample used in this survey is one of a large number of all possible samples of the same size that could have been selected using the same design. Estimates derived from different samples would differ from each other. The average of these estimates would be close to the estimate derived from a complete enumeration of the population. This assumes that a complete enumeration has the same nonsampling error as the sample survey.

The standard error of the estimate is a measure of the variability among the estimates from all possible samples of the same size and design and thus is a measure of the precision with which an estimate from a particular sample approximates the results of a complete enumeration. The coefficient of variation (expressed as a percent) is the standard error of the estimate times 100 divided by the value of the estimate. Note that the coefficients of variation are estimates derived from the sample and are also subject to sampling variability. Estimates of coefficient variation in percent are shown in tables A-1 through A-4.

The coefficients of variation presented in the tables permit certain confidence statements about the sample estimates. As noted before, the particular sample used in this survey was one of a large number of samples of the

same size that could have been selected using the same design. In about two out of three of these samples (67 percent), the estimate would differ from a complete enumeration by less than the corresponding percentage for that estimate shown in tables A-1 through A-4. In about 9 out of 10 of these samples (90 percent), the estimates would differ from the results of a complete enumeration by less than 1.65 times the percentages shown.

To illustrate the computations involved in the above confidence statements as related to dollar volume sales estimates, assume that an estimate of sales published in table 1 is \$10,750 million for a particular year and that the coefficient of variation for this estimate, as given in table A-1 is 1.8 percent, or 0.018. First obtain the standard error of the estimate by multiplying the estimate by the coefficient of variation. In this example, \$10,750 million times 0.018 equals a standard error of \$194 million. The upper bound of the 67-percent confidence interval can then be formed by adding the standard error to the estimate and the lower bound formed by subtracting the standard error from the estimate. Thus the 67-percent confidence interval for this example is \$10,556 million to \$10,944 million (i.e., \$10,750 million plus or minus \$194 million). Bounds for a 90-percent confidence interval are computed by adding or subtracting 1.65 times the standard error from the estimate; consequently, the 90-percent confidence interval ranges from \$10,430 million to \$11,070 million. If corresponding 67-percent confidence intervals were constructed for all possible samples of the same size and design,

approximately 2 out of 3 (67 percent) intervals would contain the value obtained from a complete enumeration. Similarly, for 90-percent confidence intervals, approximately 9 out of 10 of all possible intervals would contain the value obtained in a complete enumeration.

Year-to-year comparisons for United States totals, total durables, and total nondurables appearing in the text are accompanied by a 90-percent confidence interval. Thus a statement such as "up 0.8 percent (± 1.3 percent)" indicates a 90-percent confidence interval from -0.5 percent to +2.1 percent. If the confidence interval contains zero, as does the example shown above, it is uncertain whether there is an increase or decrease.

Coefficients of variation have not been supplied for percents shown in figures 2 and 10; however, they can be calculated by using the formula:

$$CV = 100 \sqrt{(1-2P) (CV(D))^2 + (CV(T))^2},$$

where P is the percent, and CV(D) and CV(T) are the coefficients of variation for the detail level estimate and the total level estimate, respectively. To calculate CV, use the decimal equivalents of P, V(D), and CV(T) (e.g., 2.1 percent should be converted to .021 for use in the formula). The CV that results from these calculations will be in percent. The coefficients of variation shown in this report do not measure biases which might arise from difference of response or nonreporting. Nonresponse amounted to about 9 percent for sales, 9 percent for inventories, 17 percent for purchases, and 6 percent for accounts receivable on the basis of total dollar volume estimates.

Table A-1. Estimated Coefficients of Variation for Sales Estimates

(In percent)

SIC code	Kind of business	Dollar volume sales estimates	Sales taxes as a percent of sales	Year-to-year sales ratio	Percent of sales by legal form of organization		
					Corporation	Partnerships	Individual proprietorships
	Retail trade, total	0.7	1.1	0.5	0.3	5.8	3.1
	Total (excluding automotive group)	0.6	0.9	0.5	0.4	6.1	3.2
	Durable goods stores, total	1.8	2.4	1.0	0.5	9.9	5.2
52	Building materials, hardware, garden supply, and mobile home dealers	2.9	4.6	1.7	1.1	15.1	13.7
521,3,5	Building materials, supply, hardware stores	3.3	5.2	1.7	(NA)	(NA)	(NA)
521,3	Building materials and supply stores	4.0	6.1	2.0	(NA)	(NA)	(NA)
525	Hardware stores	3.0	3.7	3.0	(NA)	(NA)	(NA)
55 ex. 554	Automotive dealers	2.1	3.3	1.6	0.5	(S)	11.0
551,2,5,6,7,9	Motor vehicle and miscellaneous automotive dealers	2.2	3.6	1.7	(NA)	(NA)	(NA)
551,2	Motor vehicle dealers	2.2	3.6	1.8	(NA)	(NA)	(NA)
551	Motor vehicle dealers (franchised)	2.2	3.7	1.8	(NA)	(NA)	(NA)
553	Auto and home supply stores	4.5	4.5	2.3	(NA)	(NA)	(NA)
57	Furniture, home furn. & equip. stores	2.8	3.0	2.0	1.2	(S)	8.6
571	Furniture and home furn. stores	3.3	3.8	3.1	(NA)	(NA)	(NA)
5712	Furniture stores	3.6	3.9	3.6	(NA)	(NA)	(NA)
5713	Floor covering stores	6.1	(NA)	3.9	(NA)	(NA)	(NA)
5722,32	Household appliance, radio, & TV	4.4	4.7	2.9	(NA)	(NA)	(NA)
5722	Household appliance stores	5.3	4.6	4.0	(NA)	(NA)	(NA)
5732	Radio and television stores	5.6	(NA)	3.7	(NA)	(NA)	(NA)
5941	Sporting goods stores and bicycle shops	8.2	(NA)	5.7	(NA)	(NA)	(NA)
5942	Book stores	4.7	(NA)	1.7	(NA)	(NA)	(NA)
5944	Jewelry stores	2.8	3.4	2.9	(NA)	(NA)	(NA)
	Nondurable goods stores, total	0.6	0.8	0.6	0.5	7.2	3.8
53	General mdse. group stores	0.3	0.3	0.4	0.2	13.8	(I)
531	Dept. stores, (excl. leased depts.)	0.0	0.0	0.0	0.0	0.0	0.0
531	Dept. stores, (incl. leased depts.) ¹	0.0	(NA)	0.0	(NA)	(NA)	(NA)
531 pt.	Conventional dept. stores (incl. leased depts.)	0.0	(NA)	0.0	(NA)	(NA)	(NA)
531 pt.	Discount dept. stores (incl. leased depts.)	0.0	(NA)	0.0	(NA)	(NA)	(NA)
531 pt.	National chain dept. stores (incl. leased depts.)	0.0	(NA)	0.0	(NA)	(NA)	(NA)
533	Variety stores	2.5	2.5	2.1	(NA)	(NA)	(NA)
539	Miscellaneous general mdse. stores	2.5	2.8	2.9	(NA)	(NA)	(NA)
54	Food stores	1.2	1.8	1.1	1.0	16.1	10.3
541	Grocery stores	1.2	1.7	1.1	1.1	19.0	11.9
542	Meat, fish (seafood) markets	6.2	(NA)	4.4	(NA)	(NA)	(NA)
546	Retail bakeries	7.3	12.7	5.8	(NA)	(NA)	(NA)
554	Gasoline service stations	2.5	3.3	1.8	1.7	11.7	3.9
56	Apparel and accessory stores	1.3	1.4	1.1	0.7	12.9	8.4
561	Men's, boys' clothing, furnishings	3.8	4.5	4.3	(NA)	(NA)	(NA)
562,3,6	Womens' cloth., spec. str., furriers	2.2	2.8	1.7	(NA)	(NA)	(NA)
562	Women's ready-to-wear stores	2.2	2.8	1.7	(NA)	(NA)	(NA)
565	Family clothing stores	1.3	1.4	1.2	(NA)	(NA)	(NA)
566	Shoe stores	2.2	2.5	1.9	(NA)	(NA)	(NA)
58	Eating and drinking places	2.0	2.9	2.1	1.7	14.0	7.5
5812	Eating places	2.3	3.2	2.2	(NA)	(NA)	(NA)
5812 pt.	Restaurants, lunchrooms, cafe	2.9	3.7	3.1	(NA)	(NA)	(NA)
5812 pt.	Refreshment places	4.3	5.1	3.3	(NA)	(NA)	(NA)
5813	Drinking pls. (alcoholic bev)	7.6	10.2	3.8	(NA)	(NA)	(NA)
591	Drug and proprietary stores	1.6	1.9	0.9	1.0	(S)	13.9
592	Liquor stores	3.9	4.2	4.0	(NA)	(NA)	(NA)
596	Nonstore retailers ²	2.3	5.0	2.1	(NA)	(NA)	(NA)
5961	Mail-order houses (department store merchandise)	0.0	(NA)	0.0	(NA)	(NA)	(NA)
5961 pt.	Other mail order	5.5	(NA)	4.1	(NA)	(NA)	(NA)
53,56,57,594	GAF, total. ³	0.9	0.9	0.6	(NA)	(NA)	(NA)
594	Miscellaneous shopping goods stores	2.8	(NA)	1.9	(NA)	(NA)	(NA)

NA Not applicable.

S Does not meet publication standards because of high sampling variability.

¹ Includes data for leased departments operated within department stores. Data for this line not included in broader kind of business totals.² Includes establishments primarily selling merchandise through coin-operated vending machines, by house to house canvass, and from mail order.³ GAF represents stores which specialize in department store types of merchandise (see explanatory material).

NOTE: The estimates of sampling variability shown above are based on sales estimates derived from the annual retail trade survey.

Table A-2. Estimated Coefficients of Variation for Inventory and Purchases Estimates

(In percent)

SIC code	Kind of business	Dollar volume estimates			Year-to-year inventory percent change	Sales/inventory ratio	Gross margin as a percent of sales
		Inventory	Purchases	Gross margin			
	Retail trade, total	0.9	0.8	1.0	0.7	0.6	0.7
	Total (excluding automotive group).....	0.9	0.6	1.0	0.6	0.6	0.7
	Durable goods stores, total.....	1.8	1.8	2.0	1.2	0.9	1.5
52	Building materials, hardware, garden supply, and mobile home dealers.....	2.9	3.4	4.1	2.2	2.1	3.3
521,3,5	Building materials, supply, hardware stores.....	3.1	3.9	4.5	2.1	2.1	3.7
521,3	Building materials and supply stores.....	4.1	4.8	5.6	2.6	2.5	4.6
525	Hardware stores.....	4.0	3.0	4.7	3.4	2.5	2.9
55 ex. 554	Automotive dealers.....	2.3	2.2	3.5	1.9	1.2	2.7
551,2,5,6,7,9	Motor vehicle and miscellaneous automotive dealers.....	2.4	2.2	4.0	2.1	1.3	3.1
551,2	Motor vehicle dealers.....	2.1	2.3	4.1	1.9	1.0	3.2
551	Motor vehicle dealers (franchised)....	2.2	2.4	4.3	2.0	1.0	3.5
553	Automotive and home supply stores.....	5.1	4.9	4.6	2.6	3.3	2.0
57	Furniture, home furnishings, equipment stores.....	2.9	2.9	2.9	2.3	1.9	1.5
571	Furniture and home furnishings stores.....	3.4	3.4	3.4	3.4	2.5	1.3
5712	Furniture stores.....	4.3	3.7	4.3	3.2	2.5	1.4
5722,32	Household appliance, radio, and TV stores.....	4.9	4.3	6.0	3.7	3.4	3.6
5722	Household appliance stores.....	6.7	5.7	6.3	5.9	3.3	4.4
5944	Jewelry stores.....	3.2	3.0	4.5	3.5	1.7	3.1
	Nondurable goods stores, total.....	0.5	0.7	1.1	0.6	0.6	0.8
53	General merchandise group stores.....	0.5	0.3	0.4	0.4	0.3	0.3
531,9	Department stores, miscellaneous general merchandise stores.....	1.2	0.9	0.4	0.5	0.2	0.3
531	Department stores.....	0.0	0.0	0.0	0.0	0.0	0.0
533	Variety stores.....	2.9	2.6	3.1	2.1	2.4	1.8
54	Food stores.....	2.2	1.2	1.4	2.0	1.7	0.8
541	Grocery stores.....	2.1	1.3	1.3	2.0	1.7	0.6
554	Gasoline service stations.....	3.6	2.5	2.9	3.9	2.6	1.4
56	Apparel and accessory stores.....	1.4	1.3	1.6	1.5	0.9	0.9
561	Men's, boys' clothing, furnishings stores.....	4.8	4.1	6.3	5.8	2.0	3.3
562	Women's ready-to-wear stores.....	2.8	2.2	2.7	3.1	2.0	1.5
565	Family clothing stores.....	1.6	1.6	1.6	1.4	1.4	1.0
566	Shoe stores.....	2.1	2.2	2.7	2.2	1.5	1.2
58	Eating and drinking places.....	3.7	1.8	2.6	4.3	3.7	0.5
591	Drug and proprietary stores.....	1.2	1.7	1.8	1.5	1.7	1.4
592	Liquor stores.....	4.4	3.4	5.3	5.4	3.8	4.2
53,56,57,594	GAF, total ¹	1.1	0.8	1.0	0.7	0.6	0.5

¹GAF represents stores which specialize in department store types of merchandise (see explanatory material).

NOTE: The estimates of sampling variability shown above are based on inventory and purchases estimates derived from the annual retail trade survey.

Table A-3 Estimated Coefficient of Variation for Accounts Receivable Dollar Volume Estimates
(In percent)

SIC code	Kind of business	Total accounts receivable	Type of account			
			Charge	Installment		
				Total	Open-end	Closed-end
	Retail trade, total.....	2.1	7.8	0.9	0.7	4.9
	Total (excluding automotive group).....	2.1	9.1	0.8	0.7	5.3
	Durable goods stores, total.....	5.3	9.3	3.6	5.0	6.6
52	Building materials, hardware, garden supply, and mobile home dealers.....	17.2	20.6	13.8	(S)	(S)
55 ex. 554	Automotive dealers.....	5.8	7.2	11.5	(S)	(S)
57	Furniture, home furnishings, and equipment stores.....	5.5	12.1	6.3	9.6	9.3
	Nondurable goods stores, total.....	1.8	11.6	0.5	0.6	4.7
53	General merchandise group stores.....	0.0	1.8	0.0	0.0	0.3
531	Department stores. (ex. leased depts.).....	0.0	0.0	0.0	0.0	0.0
554	Gasoline service stations.....	2.9	7.6	3.1	3.1	5.3
56	Apparel and accessory stores.....	2.8	8.5	3.0	3.0	3.5
58	Eating and drinking places.....	18.1	(S)	(S)	(S)	(S)

S Does not meet publication standards because of high sampling variability.

Table A-4. Estimated Coefficient of Variation for Accounts Receivable Year-to-Year Percent Change
(In percent)

SIC code	Kind of business	Total accounts receivable	Type of account			
			Charge	Installment		
				Total	Open-end	Closed-end
	Retail trade, total.....	1.3	4.2	1.3	1.1	7.7
	Total (excluding automotive group).....	1.2	5.1	1.0	1.0	4.2
	Durable goods stores, total.....	2.6	2.7	5.8	6.8	10.0
52	Building materials, hardware, garden supply, and mobile home dealers.....	3.0	2.8	14.3	(S)	(S)
55 ex. 554	Automotive dealers.....	6.9	5.9	17.3	(S)	(S)
57	Furniture, home furnishings, and equipment stores.....	3.8	8.9	7.3	11.6	7.2
	Nondurable goods stores, total.....	1.5	10.9	0.7	0.8	6.0
53	General merchandise group stores.....	0.0	0.6	0.0	0.0	0.2
531	Department stores. (ex. leased depts.).....	0.0	0.0	0.0	0.0	0.0
554	Gasoline service stations.....	3.0	10.4	2.7	4.2	4.7
56	Apparel and accessory stores.....	3.0	10.6	3.1	3.2	3.3
58	Eating and drinking places.....	10.9	(S)	(S)	(S)	(S)

S Does not meet publication standards because of high sampling variability.

Appendix B. Kind-of-Business Classifications

GENERAL DESCRIPTION

Retail trade Standard Industrial Classification (SIC) Major Groups 52-59, includes establishments primarily engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of goods.

The kinds of business shown in this report parallel broad classifications defined in the 1972 edition of the *Standard Industrial Classification Manual*.

Descriptions of each kind of business follow. Data for some kinds of business are not shown separately but are included in the major group or other totals.

DURABLE GOODS

Building Materials, Hardware, Garden Supply, and Mobile Home Dealers (SIC Major Group 52)

This major group includes retail establishments primarily engaged in selling lumber and other building materials; paint, glass, and wallpaper; hardware; nursery stock; lawn and garden supplies; and mobile homes.

It includes lumber and other building materials dealers and paint, glass, and wallpaper stores selling to the general public, even if sales to contractors account for a larger proportion of total sales. These establishments are known as "retail" in the trade. Establishments primarily selling these products but not selling to the general public are classified in wholesale trade.

Lumber and Other Building Materials Dealers (SIC 521).¹ Establishments engaged in selling primarily lumber, or lumber and a general line of building materials, to the general public. The lumber which they sell may include rough and dressed lumber, flooring, molding, doors, sashes, frames, and other millwork. The building materials may include roofing, siding, shingles, wallboard, paint, brick, tile, cement, sand, gravel, and other building materials and supplies. Hardware is often an important line of retail lumber and building materials dealers. Establishments known as "home centers" are included here.

¹Data for this kind of business are not shown separately but are included in the larger group totals.

Paint, Glass, and Wallpaper Stores (SIC 523).¹ Establishments engaged in selling primarily paint, glass, and wallpaper, or any combination of these lines, to the general public.

Hardware Stores (SIC 525). Establishments primarily selling a number of basic hardware lines such as tools, builders' hardware, paint and glass, housewares and household appliances, cutlery, and roofing materials, no one of which accounts for 50 percent or more of the sales of the establishments.

Retail Nurseries, Lawn and Garden Supply Stores (SIC 526).¹ Establishments primarily engaged in selling trees, shrubs, other plants, seeds, bulbs, mulches, soil conditioners, fertilizers, pesticides, garden tools, and other garden supplies to the general public. These establishments primarily sell products purchased from others, but may sell some plants which they grow themselves.

Mobile Home Dealers (SIC 527).¹ Establishments primarily engaged in the retail sale of new and used mobile homes, including parts and accessories.

Automotive Dealers (SIC Major Group 55 ex.554)

This major group includes retail dealers selling new and used automobiles, boats, recreational and utility trailers, and motorcycles; and those selling new automobile parts and accessories. Automobile repair shops maintained by the establishments engaged in the sale of new automobiles are also included.

Motor Vehicle Dealers (Franchised)-New and Used (SIC 551). Establishments primarily engaged in the sale of new automobiles or new and used foreign or domestic automobiles. These establishments frequently maintain repair departments and used car lots and carry stocks of replacement parts, tires, batteries, and automotive accessories. Used car lots and repair departments operated by franchised new passenger car dealers are not considered separate locations.

Motor Vehicle Dealers (Nonfranchised)-Used Cars Only (SIC 552).¹ Establishments primarily selling used cars and not holding a franchise for the sale of new cars.

Auto and Home Supply Stores (SIC 553). Establishments primarily engaged in the retail sale of automobile tires, batteries, and other automobile parts and accessories. These establishments frequently sell additional lines of merchandise such as household appliances, radios and television sets, sporting goods, housewares, and hardware.

Boat Dealers (SIC 555).¹ Establishments primarily engaged in the retail sale of new and used motorboats and other watercraft, including parts, accessories, marine supplies, and outboard motors.

Recreational and Utility Trailer Dealers (SIC 556).¹ Establishments primarily engaged in the retail sale of new and used recreational trailers, campers (pickup coaches), utility trailers, and other trailers for passenger automobiles, and motor homes, including parts and accessories.

Motorcycle Dealers (SIC 557).¹ Establishments primarily engaged in the retail sale of new and used motorcycles and motor scooters, including parts and accessories.

Automotive Dealers, Not Elsewhere Classified (SIC 559).¹ Establishments primarily engaged in the retail sale of new and used automotive vehicles, such as snowmobiles, dunebuggies, go-carts, aircraft, and new automotive equipment and supplies, not elsewhere classified.

Furniture, Home Furnishings, and Equipment Stores (SIC Major Group 57)

This major group includes retail stores selling goods used for furnishing the home, such as furniture, floor coverings, draperies, glass and chinaware, domestic stoves, refrigerators, and other household electrical and gas appliances.

Furniture Stores (SIC 5712). Establishments primarily selling household furniture, beds, mattresses, springs, and other sleep equipment. Also included in this classification are establishments selling household appliances, phonographs, radio and TV sets, and floor coverings, provided the receipts from sales of furniture and sleep equipment exceed those from sales of other merchandise.

Floor Coverings Stores (SIC 5713). Establishments primarily engaged in the retail sale of floor coverings and related products.

Draperies, Curtain, and Upholstery Stores (SIC 5714).¹ Establishments primarily selling draperies, curtains, slipcovers, and upholstery materials. Establishments primarily selling custom-made draperies and slipcovers for household use also are included.

Miscellaneous Home Furnishing Stores (SIC 5719). Establishments primarily engaged in the retail sale of miscellaneous home furnishings, such as china, glassware, and metalware for kitchen and table use, bedding and linen, brooms, brushes, lamps and shades, mirrors and pictures, venetian blinds, window shades, and fireplace accessories.

Household Appliance Stores (SIC 5722). Establishments primarily engaged in the retail sale of electric and gas refrigerators, stoves, and other household appliances, such as electric irons, percolators, hot plates, and vacuum cleaners. Many such stores also sell radio and television sets. Retail stores operated by public utility companies and primarily engaged in the sale of electric and gas appliances for household use are classified here.

Radio and Television Stores (SIC 5732). Establishments primarily engaged in the retail sale and installation of radios, television sets, record players, high fidelity (hi-fi), sound reproducing equipment and home computers. Such establishments also may sell additional lines, such as household appliances, musical instruments, or records.

Music Stores (SIC 5733).¹ Establishments primarily engaged in the retail sales of musical instruments, phonograph records and albums, sheet music, and similar music supplies.

Miscellaneous Durable Goods Stores (SIC Major Group 59, part)

This includes all retail durable goods stores not elsewhere classified.

Used Merchandise Stores (SIC 593).² This industry includes stores primarily engaged in the retail sale of used merchandise, antiques, and secondhand goods such as clothing and shoes; furniture; books and rare manuscript; automobile parts, accessories, tires, batteries; musical instruments; office furniture, phonographs and phonograph records; and store fixtures and equipment. This industry also includes pawnshops.

Sporting Goods Stores and Bicycle Shops (SIC 5941). Establishments primarily selling a general or a specialized line of sporting goods and equipment for hunting, camping, fishing, skiing, riding, tennis, golf, and other sports; bicycles, bicycle parts and accessories; and gymnasium and playground equipment.

Book Stores (SIC 5942). Establishments primarily selling new books and periodicals. Stationery and related items may also be sold.

²Data for this kind of business are not shown separately but are included in the durable goods stores total.

Jewelry Stores (SIC 5944). Establishments primarily engaged in the retail sale of any combination of the lines of jewelry, such as diamonds and other precious stones; rings, bracelets, and brooches; sterling and plated silverware; and watches and clocks.

Hobby, Toy, and Game Shops (SIC 5945).³ Establishments primarily engaged in the retail sale of toys, games, and hobby kits and supplies.

Camera and Photographic Supply Stores (SIC 5946).³ Establishments primarily engaged in the retail sale of cameras, film, and other photographic supplies and equipment. Excluded are establishments primarily engaged in finishing films.

Gift, Novelty, and Souvenir Shops (SIC 5947).³ Establishments primarily engaged in the retail sale of combined lines of gifts and novelty merchandise, souvenirs, and miscellaneous small art goods such as greeting cards and holiday decorations.

Luggage and Leather Goods Stores (SIC 5948).³ Establishments primarily engaged in the retail sale of luggage, trunks, and leather goods.

Optical Goods Stores (SIC 5999 part).² Establishments primarily engaged in the retail sale of eyeglasses and related optical goods. Excluded are establishments whose receipts are primarily from examining eyes and prescribing eyeglasses or contact lenses.

Miscellaneous Retail Stores Not Elsewhere Classified (SIC 5999 part).² Establishments primarily engaged in the retail sale of specialized lines of merchandise such as collectors' items and supplies, artists' supplies, orthopedic and artificial limbs, drafting materials, typewriters, telephones, pets, religious goods, hearing aids, rubber stamps, monuments and tombstones, and other merchandise not elsewhere classified.

NONDURABLE GOODS

General Merchandise Group Stores (SIC Major Group 53)

This major group includes retail stores which sell a number of lines of merchandise, such as dry goods, apparel and accessories, furniture and home furnishings, small wares, hardware, and food. The stores included in this group are known as department stores, variety stores, general merchandise stores, general stores, etc.

³Data for this kind of business are not shown separately but are included in the larger group: Miscellaneous shopping goods stores (SIC 594).

Department Stores (SIC 531). Establishments normally employing 25 people or more, having sales of apparel and softgoods combined amounting to 20 percent or more of total sales, and engaged in selling each of the following lines of merchandise:

1. Furniture, home furnishings, appliances, radio and TV sets.
2. A general line of apparel for the family.
3. Household linens and dry goods.

To qualify as a department store, sales of each of the lines listed above must be less than 80 percent of total sales. An establishment with total sales of \$10 million or more is classified as a department store even if sales of one of the merchandise lines listed above exceed the maximum percent of total sales, provided that the combined sales of the other two groups is \$1 million or more. Department store sales have been separately presented for the following classifications:

Department stores (including leased departments), and
Department stores (excluding leased departments)

Department stores (including leased departments) are also subcategorized as shown in the following paragraph.

Conventional department stores (SIC 531 pt.). Establishments which satisfy the criteria of a department store and:

1. Usually provide check-out service and customer assistance (salespersons) within each department.
2. May have a catalog order desk.
3. Are not affiliated with a company which operates similar establishments on a national basis.

These stores often sell:

1. Soft goods and hard goods which are primarily nationally advertised brands.
2. Appliances which are serviced by another company.
3. Limited lines of merchandise through seasonal or special catalogs.

Discount or mass merchandising department stores (SIC 531 pt.). Establishments which satisfy the criteria of a department store and usually:

1. Convey the image of a high-volume, fast turnover outlet selling a variety of merchandise for less than conventional prices.
2. Provide centralized check-out service.

3. Do not provide customer assistance within store departments. Merchandise is normally sold through self-service with minimal assistance provided in any department.
4. Do not have a catalog order desk.

These stores often sell:

1. Soft goods which are usually their own corporate brands or are unbranded.
2. Hard goods which are primarily nationally advertised brands.
3. Appliances which are serviced by another company.

National chain department stores (SIC 531 pt.). Establishments which satisfy the criteria of a department store and:

1. Usually provide check-out service and customer assistance (salespersons) within each department.
2. Usually have a catalog order desk.
3. Are affiliated with a company which operates similar establishments on a national basis.

These stores often sell:

1. Soft goods and hard goods which are their own corporate brands or are unbranded.
2. Appliances which are serviced by their own company.

Variety Stores (SIC 533). Establishments primarily engaged in the retail sale of a variety of merchandise in the low and popular price ranges. Sales usually are made on a cash-and-carry basis with the open selling method of display and customer selection of merchandise. These stores generally do not carry a complete line of merchandise, are not departmentalized, do not carry their own charge service, and do not deliver merchandise.

Miscellaneous General Merchandise Stores (SIC 539). Establishments primarily engaged in the retail sale of a general line of apparel, dry goods, hardware, homewares or home furnishings, groceries, and other lines in limited amounts. Stores selling commodities covered in the definition for department stores, but normally having less than 25 employees, and stores usually known as catalog showrooms or country general stores are included here.

Also included in this classification are establishments whose sales of apparel or of furniture and home furnishings exceed half of their total sales providing that sales of the smaller of the two lines in combination with dry goods and household linens account for 20 percent or more of total sales.

Food Stores (SIC Major Group 54)

This major group includes retail stores primarily engaged in selling food for home preparation and consumption.

Grocery Stores (SIC 541). Establishments primarily selling (1) a wide variety of canned or frozen foods, such as vegetable, fruits, and soups; (2) dry groceries, either packaged or in bulk, such as tea, coffee, cocoa, dried fruits, spices, sugar, flour, and crackers; and (3) other processed food and nonedible grocery items. In addition, these establishments often sell smoked and prepared meats, fresh fish and poultry, fresh vegetables and fruits, and fresh or frozen meats.

Establishments commonly known as supermarkets, food stores, and delicatessens are included in this classification if receipts from sales of groceries and food items for off-premise preparation and consumption are 50 percent or more of total sales.

Meat and Fish (Seafood) Markets, Including Freezer Provisioners (SIC 542). Establishments primarily engaged in the retail sale of fresh, frozen, or cured meats, fish, shellfish, and other seafood. Frequently these establishments also sell poultry, dairy products, eggs, some groceries, and items commonly used in preparing seafood consumed with seafood.

Fruit Stores and Vegetable Markets (SIC 543).¹ Establishments primarily selling fresh fruits and fresh vegetables. These establishments frequently carry a limited line of grocery items. Roadside stands of farmers selling only their own produce are not included.

Candy, Nut, and Confectionery Stores (SIC 544).¹ Establishments primarily selling candy, nuts, sweetmeats, and other confections. A soda fountain or lunch counter is frequently operated in these stores. Also included are candy and popcorn stands located in motion picture theaters.

Dairy Products Stores (SIC 545).¹ Establishments primarily engaged in the retail sale of dairy products, such as milk, cream, butter, cheese, and related products, to over-the-counter customers.

Retail Bakeries (SIC 546). Establishments primarily engaged in the over-the counter retail sale of bakery products such as bread, cakes, pies, or cookies, all or some of which may be baked on the premises.

Other Miscellaneous Food Stores (SIC 549).¹ Establishments primarily engaged in the retail sale of specialized food not elsewhere classified, such as eggs and poultry, hot foods, spices, herbs, coffee, and tea. The poultry stores may sell live poultry, slaughter and clean poultry for their own account and sell dressed fowls, or sell fowl cleaned and dressed by others.

Gasoline Service Stations (SIC 554)

Establishments primarily selling gasoline and automotive lubricants. Usually these establishments also sell tires, batteries, and accessories, and perform minor repair work and services. Establishments called garages but deriving more than half of their receipts from the sale of gasoline and automotive lubricants and establishments known as "truck stops" which are primarily engaged in selling diesel fuel to truckers are also included.

Apparel and Accessory Stores (SIC Major Group 56)

Establishments in this major group are primarily engaged in selling clothing of all kinds and related articles for personal wear and adornment.

Men's and Boys' Clothing and Furnishings Stores (SIC 561). Establishments primarily selling men's and boys' ready-to-wear clothing and furnishings.

Women's Ready-to-Wear Stores (SIC 562). Establishments primarily selling women's and girls' ready-to-wear apparel.

Women's Accessory and Specialty Stores (SIC 563).¹ Establishments primarily selling a specialized line of women's and girls' apparel, such as sportswear, beachwear, blouses, hosiery, millinery, foundation garments, lingerie, robes, and other intimate wear.

Children's and Infants' Wear Stores (SIC 564).¹ Establishments primarily engaged in the retail sale of children's and infants' clothing, furnishings, and accessories. Such establishments may specialize in either children's or infants' wear or they may sell a combination of children's and infants' wear.

Family Clothing Stores (SIC 565). Establishments primarily selling clothing, furnishings, and accessories for men, women, and children, without specializing in any one line.

Shoe Stores (SIC 566). Establishments primarily engaged in the retail sale of any one line, or a combination of the lines, of men's, women's, and children's footwear. These establishments frequently carry accessory lines such as hosiery, gloves, and handbags.

Furriers and Fur Shops (SIC 568).¹ Retail establishments primarily engaged in selling fur coats and other fur apparel, including fur apparel made in the same establishment to custom order.

Miscellaneous Apparel and Accessory Stores (SIC 569).¹ Establishments primarily engaged in the retail sale of specialized lines of apparel and accessories not elsewhere classified, such as uniforms, bathing suits, raincoats, riding apparel, sports apparel, umbrellas, wigs, and toupees. This industry also includes custom tailors primarily engaged in making and selling men's and women's clothing (except fur apparel SIC 568) to individual order.

Eating and Drinking Places (SIC Major Group 58)

Establishments in this major group are primarily engaged in selling prepared foods and drinks for consumption on or near the premises and lunch counters and refreshment stands selling prepared foods and drinks for immediate consumption.

Restaurants, Lunchrooms, Cafeterias, and Contract Feeding (SIC 5812 part).

*Restaurants and Lunchrooms.*⁴ Establishments engaged in serving prepared food and beverages selected by the patron from a full menu. Waiter or waitress service is provided and the establishment has seating facilities for at least 15 patrons. These establishments often serve alcoholic beverages, but receipts from the sale of alcoholic beverages may not exceed the receipts from prepared food.

*Cafeterias.*⁴ Establishments engaged in serving prepared food and beverages primarily through the use of a cafeteria line where customers serve themselves from displayed selections. Some limited waiter or waitress service may be provided. Table and/or booth seating facilities are usually provided.

*Contract Feeding.*⁴ Establishments primarily engaged in providing food service under contract to another company; hospital; or governmental, penal, or educational institution. The facilities and personnel of these establishments may be provided by the contracting company, institutions, etc. however, the management is always supplied by the contractor.

Social Caterers (SIC 5812 part).⁵ Establishments primarily engaged in serving prepared food and beverages for weddings, banquet, etc., at a hall or similar place rather than a fixed business location. Such establishments also may arrange for some entertainment but this should be a minor part of the business.

⁴Data for this kind of business are not shown separately but are included in the larger group: Restaurants, Lunchrooms, Cafeterias.

⁵Data for this kind of business are not shown separately but are included in the larger group: Eating Places (SIC 5812).

