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## CHAPTER 40

# TRADE AND ITS MAJOR GROUPS

### 1. EARNINGS UPON INVESTMENT

THE small Trading corporations sample contains between approximately 1,300 and 1,500 corporations in different years of the period 1924-28. Frequency distributions for the earnings of individual corporations are available for the last four of these five years, but general arithmetic mean figures for the return upon investment are to be had for only two major groups separately and for only 1924 and 1928.<sup>1</sup> No data are available for the return upon sales for the Trade division or its major groups.

In 1924 the return upon investment for All Trade was 12.1 per cent; in 1928 the figure was almost exactly the same: 12.0 per cent. These returns correspond closely with comparable figures for the large Trading corporations sample in the same years: 13.6 per cent and 12.6 per cent respectively.<sup>2</sup>

Only very slight deviations from these figures for All Trade are evidenced by Retail Trade and Wholesale Trade. In Retail Trade the small corporations series shows a net return of 12.5 per cent on investment in 1924 and 12.4 per cent in 1928. In Wholesale Trade, the two figures are 12.6 per cent and 11 per cent respectively. Table 84 shows the number of corporations in each group as well as their average size.

<sup>1</sup> The five-year series for the several minor groups in Retail Trade and Wholesale Trade given in Ch. 41 and 42 are based upon samples that do not 'add up' so as to form major groups. The reasons for this are given in Ch. 27 and 44.

<sup>2</sup> These figures for the large corporations series are for corporations with net incomes only.

## 2. EARNINGS OF INDIVIDUAL CORPORATIONS

We may now inquire into the variation of individual rates of income received upon investment by the companies belonging to the small Trading corporations series in the years 1925-28. No general arithmetic mean return figures are available, however, for the first three of these four years: thus the comparisons will be of the median return with the rates earned by the corporations standing at the upper and lower quartiles of the distribution.

In all three years the median return was approximately 13 per cent. But, in all three years, a quarter of all the corporations earned in excess of 21 per cent while the lowest quarter earned under 8 per cent.

In 1928, the arithmetic mean return for All Trade was 12 per cent. About three-fifths of the companies, however, earned in excess of this amount. One-quarter of them earned over 22 per cent, while the lowest quarter again earned under 8 per cent. Chart 65 shows the distribution from year to year by broad classes of earnings rates.

CHART 65

FREQUENCY DISTRIBUTION OF EARNINGS RATES, INDIVIDUAL COMPANIES

ALL TRADE

— NON-IDENTICAL CORPORATIONS

- - - IDENTICAL CORPORATIONS

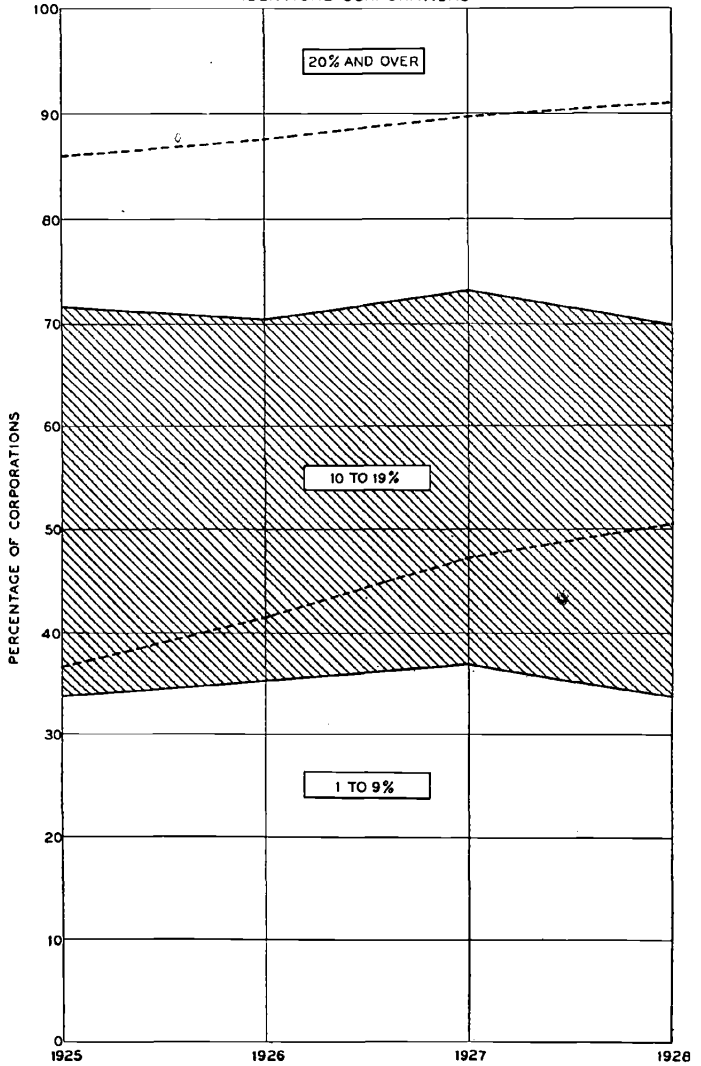


TABLE 84

TRADE AND ITS MAJOR GROUPS, SMALL NON-IDENTICAL  
CORPORATIONS SERIES

(A) SIZE AND CHARACTER OF SAMPLE	NUMBER OF CORPORATIONS		AVERAGE CAPITAL PER CORPORATION <sup>1</sup> ( <i>thousands of dollars</i> )
	1924	1928	ARITHMETIC MEAN
All trade	1,350	1,537	111
<i>Major group</i>			
12 Retail trade	742	858	89
13 Wholesale trade	397	308	138

<sup>1</sup> Total capital (i.e., includes funded debt) as of December 31, 1928.

	1924	1928
(B) PERCENTAGE INCOME TO CAPITALIZATION		
All trade	12.1	12.0
<i>Major group</i>		
12 Retail trade	12.5	12.4
13 Wholesale trade	12.6	11.0
(C) PERCENTAGE PROFIT TO TOTAL CAPITAL		
All trade	11.9	11.7
<i>Major group</i>		
12 Retail trade	12.3	12.0
13 Wholesale trade	12.4	10.9

TABLE 84 (continued)  
 (D) FREQUENCY DISTRIBUTIONS OF PERCENTAGES OF TOTAL PROFIT TO TOTAL CAPITAL, INDIVIDUAL CORPORATIONS, 1925-28. ALL TRADE

PERCENTAGE PROFIT TO TOTAL CAPITAL	1925		1926		1927		1928	
	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES
Zero to 4	9.0	9.0	9.9	9.9	8.9	8.9	9.9	9.9
5 to 9	24.5	33.5	25.4	35.3	28.1	37.0	23.7	33.6
10 to 14	23.0	56.5	22.0	57.3	21.7	58.7	21.4	55.0
15 to 19	15.0	71.5	13.1	70.4	14.4	73.1	14.9	69.9
20 to 24	8.9	80.4	9.3	79.7	8.7	81.8	11.0	80.9
25 to 29	5.8	86.2	4.5	84.2	5.0	86.8	4.9	85.8
30 and over	13.8	100.0	15.8	100.0	13.2	100.0	14.2	100.0

TABLE 85  
 FREQUENCY DISTRIBUTIONS OF PERCENTAGES OF TOTAL  
 PROFIT TO TOTAL CAPITAL, INDIVIDUAL CORPORATIONS,  
 1925-28. ALL TRADE  
 (*large identical trading corporations with net incomes*)

PERCENTAGE PROFIT TO TOTAL CAPITAL	1925			1926			1927			1928		
	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	
Zero to 4	9.7	9.7	11.9	11.9	13.3	13.3	13.3	13.3	16.0	16.0	16.0	
5 to 9	27.0	36.7	29.6	41.5	34.0	47.3	47.3	47.3	34.5	34.5	50.5	
10 to 14	30.4	67.1	29.3	70.8	29.7	77.0	77.0	77.0	28.1	28.1	78.6	
15 to 19	18.9	86.0	16.9	87.7	12.7	89.7	89.7	89.7	12.3	12.3	90.9	
20 to 24	5.9	91.9	5.9	93.6	4.1	93.8	93.8	93.8	4.9	4.9	95.8	
25 to 29	3.5	95.4	2.7	96.3	3.3	97.1	97.1	97.1	2.5	2.5	98.3	
30 and over	4.6	100.0	3.7	100.0	2.9	100.0	100.0	100.0	1.7	1.7	100.0	

## CHAPTER 41

### RETAIL TRADE

THE major group Retail Trade is divided into ten minor groups: Automobiles; Men's Clothing; Department Stores; Drygoods; Furniture; Groceries; Jewelry; Building Material and Hardware; Lumber and Coal; Miscellaneous Retail Trade. In addition to these ten divisions, it is possible in one case, Miscellaneous Retail Trade, to effect a further subdivision into several subgroups.

In both the minor groups and subgroups, however, the data for the small corporations series are available only for the five years 1924-28. The small corporations data for each minor group, as in preceding chapters, are compared with the data for the large corporations series over the same period, although in the several subgroups into which Miscellaneous Retail Trade is divided, this procedure is not possible.



RETAIL TRADE: SMALL CORPORATIONS [443]

TABLE 86  
RETAIL TRADE GROUPS, SMALL NON-IDENTICAL CORPORATIONS SERIES

(A) SIZE AND CHARACTER OF SAMPLE	NUMBER OF CORPORATIONS					1928	AVERAGE CAPITAL PER CORPORATION <sup>1</sup> (thousands of dollars)	ARITHMETIC MEAN
	1924	1925	1926	1927	1928			
<i>Major group</i>								
12 Retail trade <sup>2</sup>	742	..	..	..	858	89		
<i>Minor group</i>								
75 Automobiles	106	77	100	105	82	68		
76 Men's clothing	39	37	43	48	44	86		
77 Department stores	87	91	93	93	90	236		
78 Drygoods	91	90	81	96	88	91		
79 Furniture	41	41	43	48	46	160		
80 Groceries	85	79	82	92	81	87		
81 Jewelry	45	46	44	48	46	115		
84 Miscellaneous retail trade								
i Automobile accessories	58	81	74	82	89	91		
ii Boots and shoes	46	44	44	47	41	70		
iii Drugs	86	77	81	86	88	42		
iv Haberdashery	36	44	43	49	46	83		
v Hardware	41	48	44	46	45	81		

<sup>1</sup> Total capital (i.e., includes funded debt) as of December 31, 1928.

<sup>2</sup> Data available only for 1924 and 1928 (see text).



RETAIL TRADE: SMALL CORPORATIONS [445]

<i>Minor group</i>						
75 Automobiles	20.6	18.7	14.9	16.1	14.3	
76 Men's clothing	13.8	9.9	13.3	10.1	10.1	
77 Department stores	8.4	9.1	8.8	7.8	8.4	
78 Drygoods	14.7	15.5	14.4	14.1	13.3	
79 Furniture	10.7	10.2	11.2	10.4	7.2	
80 Groceries	16.0	8.9	13.0	9.1	13.1	
81 Jewelry	10.9	10.6	11.7	10.2	11.9	
84 Miscellaneous retail trade						
i Automobile accessories	17.2	21.9	13.6	9.3	13.8	
ii Boots and shoes	15.0	15.2	13.6	19.5	18.6	
iii Drugs	9.9	11.5	18.1	16.4	19.2	
iv Haberdashery	7.8	11.0	11.6	10.9	10.3	
v Hardware	8.7	11.3	11.1	9.5	10.6	

<sup>1</sup> Data available only for 1924 and 1928 (see text).

(E) FREQUENCY DISTRIBUTIONS OF PERCENTAGES OF TOTAL PROFIT TO TOTAL CAPITAL, INDIVIDUAL CORPORATIONS, 1925-28. MAJOR GROUP 12: RETAIL TRADE

PERCENTAGE PROFIT TO TOTAL CAPITAL	1925			1926			1927			1928		
	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	
Zero to 4	8.1	8.1	8.8	8.8	8.8	6.8	6.8	6.8	8.0	8.0	8.0	
5 to 9	23.1	31.2	25.1	33.9	26.9	26.9	33.7	33.7	22.8	22.8	30.8	
10 to 14	23.0	54.2	22.6	56.5	23.6	23.6	57.3	57.3	22.0	22.0	52.8	
15 to 19	15.0	69.2	14.0	70.5	14.5	14.5	71.8	71.8	15.2	15.2	68.0	
20 to 24	9.5	78.7	10.5	81.0	9.0	9.0	80.8	80.8	11.3	11.3	79.3	
25 to 29	5.7	84.4	4.4	85.4	5.3	5.3	86.1	86.1	5.4	5.4	84.7	
30 and over	15.6	100.0	14.6	100.0	13.9	13.9	100.0	100.0	15.3	15.3	100.0	

TABLE 87  
 FREQUENCY DISTRIBUTIONS OF PERCENTAGES OF TOTAL  
 PROFIT TO TOTAL CAPITAL, INDIVIDUAL CORPORATIONS,  
 1925-28. MAJOR GROUP 12: RETAIL TRADE  
 (*large identical trading corporations with net incomes*)

PERCENTAGE PROFIT TO TOTAL CAPITAL	1925			1926			1927			1928		
	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	
Zero to 4	5.7	5.7	6.1	6.1	6.1	11.4	11.4	11.4	11.5	11.5	11.5	
5 to 9	20.8	26.5	21.8	21.8	27.9	27.9	27.9	39.3	30.5	30.5	42.0	
10 to 14	28.3	54.8	31.4	31.4	59.3	28.9	28.9	68.2	27.0	27.0	69.0	
15 to 19	23.7	78.5	22.5	22.5	81.8	16.8	16.8	85.0	16.9	16.9	85.9	
20 to 24	8.1	86.6	9.3	9.3	91.1	5.4	5.4	90.4	7.6	7.6	93.5	
25 to 29	4.6	91.2	3.6	3.6	94.7	4.6	4.6	95.0	4.3	4.3	97.8	
30 and over	8.8	100.0	5.3	5.3	100.0	5.0	5.0	100.0	2.2	2.2	100.0	

## CHAPTER 42

### WHOLESALE TRADE

THE major group Wholesale Trade contains eight minor groups: Drugs; Drygoods; Groceries; Hardware; Importers and Exporters; Building Material and Lumber; Paper; Miscellaneous Wholesale Trade. In addition to these eight divisions, it is possible in one case, Miscellaneous Wholesale Trade, to effect a further division into subgroups. Again, in both the minor groups and subgroups, data for the small corporations series are available only for the five years 1924-28.

TABLE 88  
 WHOLESALE TRADE GROUPS, SMALL NON-IDENTICAL  
 CORPORATIONS SERIES

(A) SIZE AND CHARACTER OF SAMPLE	NUMBER OF CORPORATIONS					AVERAGE CAPITAL PER CORPORATION <sup>1</sup> ( <i>thousands</i> of dollars)	
	1924	1925	1926	1927	1928	1928	ARITHMETIC MEAN
<i>Major group</i>							
13 Wholesale trade <sup>2</sup>	397	..	..	..	308		138
<i>Minor group</i>							
86 Drugs	43	29	42	49	43		316
87 Drygoods	39	45	47	49	47		241
88 Groceries	84	78	85	97	91		157
89 Hardware	49	49	48	48	48		229
99-85 Miscellaneous wholesale trade							
i Furniture	26	46	48	47	46		185
ii Jewelry	46	48	48	50	46		152

<sup>1</sup> Total capital (i.e., includes funded debt) as of December 31, 1928.

<sup>2</sup> Data available only for 1924 and 1928 (see text).

TABLE 88 (continued)

	1924	1925	1926	1927	1928
<b>(B) PERCENTAGE INCOME TO SALES</b>					
<i>Major group</i>					
13 Wholesale Trade <sup>1</sup>	...	...	...	...	...
<i>Minor group</i>					
86 Drugs	2.5	3.3	2.9	3.3	2.9
87 Drygoods	2.8	2.7	2.0	3.3	2.2
88 Groceries	1.9	1.9	1.3	1.7	1.5
89 Hardware	3.3	3.0	2.9	3.0	4.0
93-85 Miscellaneous wholesale trade					
i Furniture	3.7	3.4	3.9	2.4	4.1
ii Jewelry	4.2	4.2	4.4	3.7	3.2
<b>(C) PERCENTAGE INCOME TO CAPITALIZATION</b>					
<i>Major group</i>					
13 Wholesale trade <sup>2</sup>	12.6	...	...	...	11.0
<i>Minor group</i>					
86 Drugs	7.8	10.4	10.6	12.6	8.9
87 Drygoods	10.1	11.4	7.6	8.7	6.8
88 Groceries	9.9	10.3	9.0	8.8	11.0
89 Hardware	8.9	8.3	7.8	8.1	9.6
93-85 Miscellaneous wholesale trade					
i Furniture	9.8	11.6	14.7	7.9	11.8
ii Jewelry	10.7	9.6	12.5	9.6	9.1
<b>(D) PERCENTAGE PROFIT TO TOTAL CAPITAL</b>					
<i>Major group</i>					
13 Wholesale trade <sup>2</sup>	12.4	...	...	...	10.9
<i>Minor group</i>					
86 Drugs	7.7	10.4	10.5	12.4	8.8
87 Drygoods	10.1	11.4	7.6	8.6	6.8
88 Groceries	9.9	10.3	9.0	8.7	10.9
89 Hardware	8.9	8.2	7.7	8.0	9.4
93-85 Miscellaneous wholesale trade					
i Furniture	9.6	11.6	14.5	7.9	11.2
ii Jewelry	10.7	9.6	12.4	9.6	9.0

<sup>1</sup> Data not available.<sup>2</sup> Data available only for 1924 and 1928 (see text).

TABLE 88 (continued)

(E) FREQUENCY DISTRIBUTIONS OF PERCENTAGES OF TOTAL PROFIT TO TOTAL CAPITAL, INDIVIDUAL CORPORATIONS, 1925-28. MAJOR GROUP 13: WHOLESALE TRADE

PERCENTAGE PROFIT TO TOTAL CAPITAL	1925		1926		1927		1928	
	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES
Zero to 4	12.2	12.2	11.9	11.9	14.4	14.4	15.0	15.0
5 to 9	26.5	38.7	25.9	37.8	29.7	44.1	26.3	41.3
10 to 14	23.4	62.1	20.1	57.9	17.6	61.7	18.8	60.1
15 to 19	15.7	77.8	12.8	70.7	14.1	75.8	12.3	72.4
20 to 24	7.7	85.5	5.5	76.2	8.1	83.9	9.4	81.8
25 to 29	3.7	89.2	4.3	80.5	4.0	87.9	3.2	85.0
30 and over	10.8	100.0	19.5	100.0	12.1	100.0	15.0	100.0



TABLE 89  
 FREQUENCY DISTRIBUTIONS OF PERCENTAGES OF TOTAL  
 PROFIT TO TOTAL CAPITAL, INDIVIDUAL CORPORATIONS,  
 1925-28. MAJOR GROUP 13: WHOLESALE TRADE  
 (*large identical trading corporations with net incomes*)

PERCENTAGE PROFIT TO TOTAL CAPITAL	1925		1926		1927		1928	
	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES	PERCENT- AGE IN EACH CLASS	ACCU- MULATED BY SUCCESSIVE CLASSES
Zero to 4	13.7	13.7	16.7	16.7	14.4	14.4	18.6	18.6
5 to 9	32.5	46.2	37.0	53.7	41.2	55.6	39.3	57.9
10 to 14	32.2	78.4	27.5	81.2	28.9	84.5	29.1	87.0
15 to 19	15.4	93.8	13.3	94.5	9.0	93.5	9.1	96.1
20 to 24	3.1	96.9	1.7	96.2	2.7	96.2	2.1	98.2
25 to 29	2.8	99.7	2.1	98.3	2.4	98.6	1.1	99.3
30 and over	.3	100.0	1.7	100.0	1.4	100.0	0.7	100.0

