

advance monthly RETAIL SALES



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The U.S. Department of Commerce announced today that total sales of retail stores in September were estimated at \$27.2 billion; this advance figure, after adjustment for seasonal and holiday variations and trading day differences but not for price changes, was \$29.0 billion. The advance estimate, after adjustment, was virtually unchanged from August sales but about 8 percent above September sales last year. Adjusted July-through-September sales averaged about 3 percent above the prior 3 months.

The Office of Business Economics noted that after adjustment, sales of durable goods stores were up 2 percent and sales of non-durable goods stores were down 1 percent from the previous month. Average monthly sales for durable goods stores during the July-through-September period were about 6 percent above the average for the prior 3 months, and the average for nondurable goods stores for the comparable period increased 2 percent.

Based on the new sample, the total U.S. unadjusted sales estimate for August was \$0.1 billion below the \$29.6 billion based on the old sample and published earlier in the August Advance Monthly

Retail Sales report released on September 10, 1968. The seasonally adjusted sales for August as revised were about 1 percent above July.

The September sales figures are based on advance reporting of a small sample of retail firms. Beginning with the October 1967 report, the advance figures have been modified on the basis of the relationship between the advance estimates and full sample estimates. The advance estimates are subject to revision by estimates subsequently derived from the full sample.

The revision of the total seldom exceeds 1.5 percent and for the past year has averaged 0.5 percent. For individual kind-of-business groups revisions have been greater, ranging on the average from 0.6 percent for food stores to 3.4 percent for the lumber group.

It should be noted that even for figures derived from the full sample, sales movements from one month to the next tend to be relatively irregular. Data for several months are generally required to indicate the underlying trend.

Sample Revision

Introduction

The retail sales figures contained in this report are based on a new sample of retailers. The new sample has the potentiality for more economical operation, greater flexibility for modification to meet specific data and accuracy objectives, and can be tied more closely to the kind-of-business distribution of the quinquennial Censuses of Business. Both the old and the new samples are probability samples which provide a substantially similar measure of the total volume of retail trade. However, there are significant differences in the designs of the two samples and in the kind-of-business classification of the components of these samples which affects some of the data produced.

Difference in Kind-of-Business Distribution

Part C illustrates the difference between the results of the two samples combined for the four month period May through August 1968. The most important difference is found in the proportion of total retail sales accounted for by the General Merchandise group. Both the new sample and the Census of Business, following the rules prescribed by the Standard Industrial Classification system, include all "non-stores", i.e. mail order houses, merchandising machine operators, and direct selling establishments in the General Merchandise group. In the old sample such retailers were classified in the kind-of-business group to which the usual "store" type of business with the same merchandise line mix would have been assigned, and as a result many non-store

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U.S. DEPARTMENT OF COMMERCE C. R. Smith, Secretary
William H. Chartener, Assistant Secretary for Economic Affairs
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SALES OF RETAIL STORES IN THE UNITED STATES, BY KIND-OF-BUSINESS GROUP

Part A. NOT ADJUSTED for seasonal variations or trading day differences

Kind-of-business group	Sales (millions of dollars)		
	1968		1967
	September ¹	August ²	September
Retail stores, total ³	27,161	29,486	26,265
Durable goods stores, total ³	8,743	9,395	8,242
Nondurable goods stores, total ³	18,418	20,091	18,023
Food group.....	5,961	6,644	5,975
Grocery stores.....	5,544	6,213	5,575
Eating and drinking places.....	2,149	2,379	2,055
General merchandise group with non-stores.....	4,276	4,674	4,133
General merchandise group without non-stores (except department stores mail order).....	3,858	4,243	3,707
Department stores.....	2,621	2,832	2,477
Apparel group.....	1,532	1,651	1,576
Furniture and appliance group.....	1,458	1,473	1,330
Lumber, building, hardware, farm equipment group.....	1,667	1,761	1,615
Automotive group.....	4,811	5,399	4,573
Gasoline service stations.....	2,098	2,228	1,922
Drug and proprietary stores.....	921	960	868

Part B. ADJUSTED for seasonal variations and trading day differences

Kind-of-business group	Percentage change, September 1968 from		Sales (millions of dollars)				Percentage change, August 1968 from	
	Aug. 1968	Sept. 1967	1968			1967	July 1968	Aug. 1967
			Sept. ¹	Aug. ²	July	Aug.		
Retail stores, total ³	0	+8	29,042	29,115	28,814	26,466	+1	+10
Durable goods stores, total ³	+2	+11	9,771	9,581	9,397	8,543	+2	+12
Nondurable goods stores, total ³	-1	+7	19,271	19,534	19,417	17,923	+1	+9
Food group.....			6,239	6,185	5,769	5,769	+1	+8
Eating and drinking places.....			2,109	2,049	1,976	1,976	+3	+7
General merchandise group with non-stores.....			4,680	4,757	4,757	4,213	-2	+11
General merchandise group without non-stores (except department stores mail order).....			4,241	4,315	4,315	3,757	-2	+13
Apparel group.....			1,714	1,677	1,677	1,569	+2	+9
Furniture and appliance group.....			1,440	1,420	1,420	1,264	+1	+14
Lumber, building, hardware, farm equipment group.....			1,596	1,617	1,617	1,460	-1	+9
Automotive group.....			5,772	5,598	5,598	5,114	+3	+13
Gasoline service stations.....			2,098	2,050	2,050	1,897	+2	+11
Drug and proprietary stores.....			970	967	967	898	0	+8

Source: Bureau of the Census

¹Advance sample estimates.

²Preliminary estimates of full sample.

³Totals include data for kinds of business not shown separately.

Part C. May-August 1968¹ - NOT ADJUSTED for seasonal variations or trading day difference

Kind-of-business group	Sales (millions of dollars)		New Sample as a percent of Old Sample
	New Sample	Old Sample	
Retail stores, total.....	116,247	116,229	100.0
Durable goods stores, total.....	38,831	38,823	100.0
Nondurable goods stores, total.....	77,416	77,406	100.0
Food group.....	25,497	26,555	96.0
Grocery stores.....	23,785	24,404	97.5
Eating and drinking places.....	9,059	9,813	92.3
General merchandise group with non-stores.....	17,534	-	-
General merchandise group without non-stores (except department store mail order).....	15,844	14,951	106.0
Department stores.....	10,639	9,816	108.4
Apparel group.....	6,132	6,046	101.4
Furniture and appliance group.....	5,533	5,596	98.9
Lumber, building, hardware, farm equipment group.....	7,025	6,630	106.0
Automotive group.....	23,258	23,302	99.8
Gasoline service stations.....	8,669	9,089	95.4
Drug and proprietary stores.....	3,789	3,855	98.3

Source: Bureau of the Census

¹Sales figures based on final estimates except August for which new sample preliminary estimates and old sample advance estimates were used.

Sample Revision (continued)

establishments were classified outside of the General Merchandise group, particularly in the Food and Eating and Drinking Place groups. Some of the General Merchandise group difference, however, results from a difference in the classification of a number of large multiunit firms. This difference which particularly affects the Department Store category is not inherent in any difference in the two samples but rather is a refinement adopted to bring the sample results in closer alignment with the Census of Business basis of classification.

Differences in the kind-of-business composition of the new and old samples for other kind-of-business groups is the combined effect of the "non-store" shift referred to above, of other classification rule differences, and of the chance effect of sample selection (i.e., sampling error).

Comparability of the Old and New Series

As indicated by Part C, the dollar volume of retail sales, as measured by the two samples, though distributed differently by kind of business, in total is approximately equal. Month-to-month changes tend to be similar though subject to sampling error differences and differences in the composition of the kind-of-business groupings referred to above.

Particularly for the total of retail trade, difference in trend tend to balance out over a period of several months. For example, the month-to-month trends (measured in terms of final month estimates--except for August which uses a preliminary estimate for the new sample and an advance estimate for the old sample) for the last six months are as follows:

	Month-to-Month Change	
	New sample	Old sample
March/February	+2.3	+2.6
April/March	-1.7	-1.8
May/April	+1.7	+1.4
June/May	+1.3	+1.1
July/June	+1.1	+2.4
August/July	+1.0	+0.3

While generally the differences in the month-to-month changes are within sampling range, those for July/June and August/July are not. The two samples show a different timing in the changes in sales, which, however, largely cancel out over a longer-run period.

Sampling Error

The sampling error of the data developed from the new sample generally is considerably lower with respect to the estimates of the dollar volume of sales and tends to be, though is not uniformly, a little less in the measurement of month-to-month trends. For the final estimate of the monthly dollar volume of sales for total retail trade the sampling error for the full sample is estimated to be 0.6 (that is, in two-thirds of the cases the estimate should fall within a range of ± 0.6 percent of the value obtained from a complete enumeration). The comparable measure from the old sample was 1.1 percent. Both samples produce a sampling error of the month-to-month sales ratio of about 0.2 percent. Detailed tables on sampling errors are carried in the Monthly Retail Trade Report.

Sample Revision (continued)

It should be noted that the above sampling error estimates are for the full sample. As data for the current month in the Advance Retail Sales report are based on a sub-sample, they are subject to a greater sampling error. The relationship which has existed between the sub-sample and full sample is described on page 1 of this release.

Composition of the Samples

As indicated above, the design of the old and new sample differ considerably. The old sample relied heavily on an area-stratified sample whereas the new one relies only to a small extent on an area sample, and is primarily based on a size-stratified sample. A more detailed account of the sample differences will be contained in the Monthly Retail Trade Report for August.

The Sample Overlap

Because of the discontinuity created by the shift in samples, it was concluded that a full year's data overlap would be desirable. The forthcoming issue of the August Monthly Retail Trade report will contain monthly data beginning with the month of August 1967. The back figures in this report are based on the full new sample for the months of January through August 1968 and on a projection of the mail portion (92 percent of the total dollar volume) of the new sample for the months of August through December 1967.