

sample. These stores accounted for about 5 percent of total sales by retailers granting installment credit. However, credit provided by low-income retailers equaled 16 percent of all installment credit reported for 1966. Those classified as general market stores had installment sales for the most part ranging between 20 and 40 percent of total sales.

In order to better understand the characteristics of customers of retailers classified as low income, analysis was made of a sample of 486 conditional sales contracts and credit applications. It indicated substantial differences between customers of the low-income retailer and all residents of the District of Columbia. Customers of the low-income market retailer differed in family organization from the general population in that a comparatively large number of the families—23.6 percent—had female heads of household. The average family size was larger—4.3 persons compared to the census average of 3.5 persons; and almost half of the customers' families had five members or more.

Most of the customers in the sample—93 percent—rented rather than owned their dwelling place. The median family income during 1966 of the sample customers was \$348 per month. This is very low considering the larger than average size of the families. The Bureau of Labor Statistics recently estimated that in order to maintain a moderate standard of living for four in Washington a monthly income of \$730 is required. More than one-third of the customers had family incomes of less than \$300 per month. There were 31 welfare recipients in the sample, accounting for 6 percent of all customers. There were also a number of customers dependent on social security, alimony payments, and income received from relatives.

Information was also collected on occupations of customers. Most were engaged in low-paying jobs. The largest proportion, 28 percent, were Service Workers, such as waitresses and janitors. Second in importance were Operatives, including such occupations as truck drivers and laundry workers. Laborers and Domestic Workers also represented a significant share of the sample. Together, these four major occupational groups accounted for 76 percent of the customer sample. In comparison, only 36 percent of the general population in the District were classified in these low-paying occupational groups.

Despite the low average income of customers in the sample, they made substantial purchases, averaging \$207 per contract. Items purchased most frequently included furniture, household utensils, and television sets.

The Bureau then undertook to resolve whether any characteristics other than income of customers distinguished these two groups of retailers. In particular, examination was made of comparative prices, gross margins and markups, credit charges and relations with finance companies.

One of the most striking of the Bureau's developments is that low-income stores have consistently a higher markup than high price stores. On the average, goods purchased for \$100 at wholesale sold for \$255 in the low-income stores, compared with \$159 in the general market stores.

Contrasts between the markup policies of low-income and general market retailers are most apparent when specific products are com-