method of classification was by income of customer, i.e., low-income market retailers vs. general market retailers. Since direct data were not available on income of customers served by various stores, two criteria were used to identify retailers serving low-income customers: (1) location of store and (2) advertising practices. As a first approximation retailers located in or adjacent to low-income residential areas were considered to serve low-income customers primarily. Identification of low-income residential areas was done on the basis of 1960 Census data. In general, it was relatively easy to identify whether or not stores were located in low-income areas.

The District of Columbia is characterized by a wide variation in family income. Additionally, there is a close relationship between geographic sections within the city and income level. The most extensive source of demographic information on the District and the surrounding metropolitan area is the 1960 *Census of Population.* Data are provided for 124 individual Census tracts within the city. While incomes were substantially higher in 1966, the period covered by this survey, the relative positions of different areas probably has not changed greatly since 1960. The principal exception would be the Southwest Washington urban renewal area. The distribution of family incomes within the District of Columbia is indicated below: [1]

1959 income	*Percent distribution*
Under $2,000	9.4
$2,000 to $3,999	18.5
$4,000 to $5,999	22.2
$6,000 to $7,999	16.0
$8,000 to $9,999	12.2
$10,000 to $14,999	13.7
$15,000 to $24,999	5.7
$25,000 and over	2.3
Total	100.0

There is also a definite geographic pattern in income distribution within the city. For the city as a whole the median income was $6,000. However, of the 124 Census tracts, 16 had median incomes of less than $4,000 in 1959. Ten of these tracts were located in the compact section of Northwest Washington which is often referred to as the Cardozo area. Four were in the southwest section of the city, one in the southeast, and one in the northeast. In contrast, 15 Census tracts had median incomes over $10,000 per year. All were located in a contiguous group west of Rock Creek in the upper northwest area of the city.

Low-income market retailers were, for the most part, located in what could be described as neighborhood shopping areas in or adjacent to low-income areas. A characteristic of low-income market stores is that they are unlikely to draw any substantial volume of business from the more affluent sections of the city or from the suburbs.

The classification of stores as low-income market retailers was established not only by location but also on the basis of advertising practices. It is possible that a store could be located in a low-income area yet sell to a more general market through city-wide advertising. Leading Washington newspapers and radio stations which appeal to all income levels, rather than specifically to low-income groups, were checked and no retailers engaged in extensive advertising to the general market were included in the low-income market group.

Thus, stores finally classified as low-income market retailers had to meet two qualifications: location in a low-income area and an absence of significant city-wide advertising directed to a general market. Eighteen retailers met these criteria. While classification of stores into the two groups, low-income market retailers and general market retailers, involved some arbitrary decisions, the basic differences between practices of the two groups are quite clearcut.

Of the 18 low-income market retailers, 14 could be described as furniture stores; 2 as appliance stores; and 2 as miscellaneous merchandise stores. These distinctions did not appear particularly important for purposes of analysis, however, and the low-income market retailers were treated as a combined group.

Variations in Installment Credit Sales

A striking characteristic of low-income market retailers is the high proportion of their total sales accounted for by installment contract transactions. Table I–2

[1] Source: 1960 *U.S. Census of Population,* Vol. I, Part 10, p. 54.