

\$131 in a general market appliance store, but would have been priced at retail to the low-income consumer at \$187 by the average low-income market retailer. A washing machine with the same wholesale cost sold on the average in general market appliance stores for \$133, in furniture stores for \$148, in department stores for \$155, and in low-income market stores for \$204. The other merchandise items in table II-3 and figure III-2 provide similar comparisons. In each instance the "retail price" projected for the low-income market retailers is the highest because reported average gross margins were highest, but the amount of the differential varies by merchandise items.

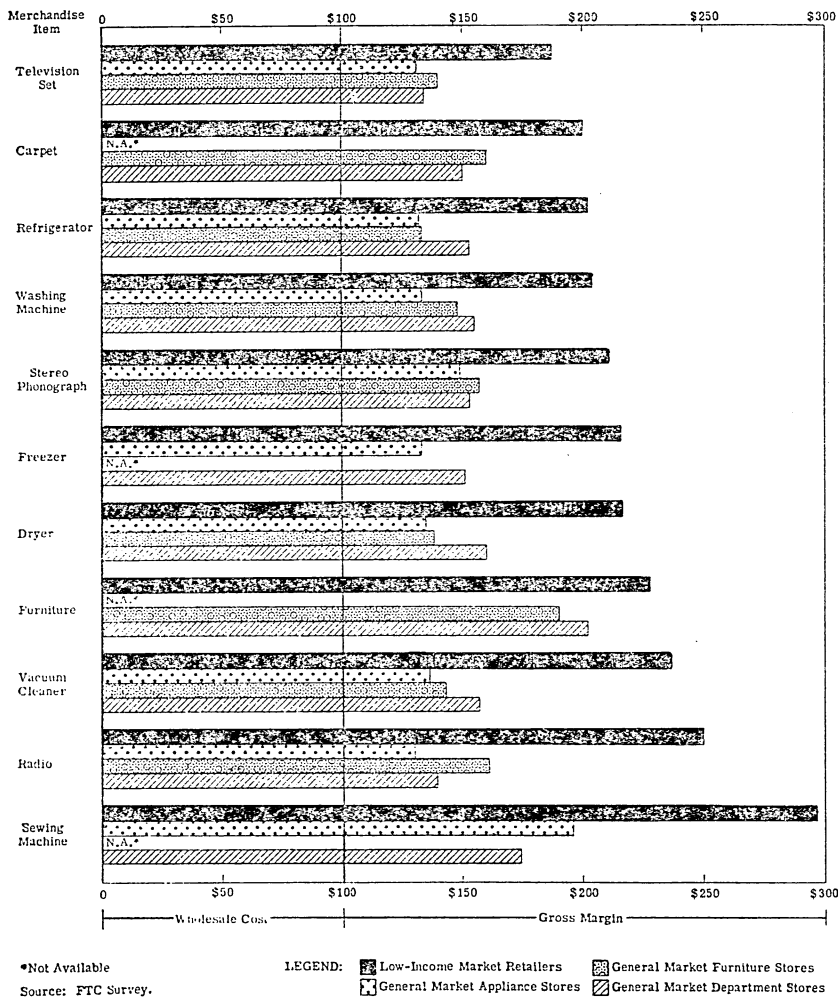


FIGURE II-2.—Average retail prices, assuming \$100 wholesale cost, of comparable merchandise items purchased from low-income market and general market retailers

Direct Price Comparisons¹

Hypothetical price comparisons are useful for purposes of generalization, but we need not depend on just such comparisons.

¹ See also discussion Chapter IV, pages 106-109.