The chain was founded in February 1902, as Franklin Simon Specialty Shops by Franklin Simon (1865-1934) and his business partner Herman A. Flurscheim. Leroy C. Palmer became president of the company in 1934 at the death of Franklin Simon, and Benjamin Goldstein was the head of Franklin Simon until 1963. The store's concept was "to import much of his merchandise [from Europe] with a view to selling the imported goods as cheaply, if possible, as the domestic."

In 1936, the chain was purchased by Atlas Corporation from the Simon family for $2 million. In 1945, Franklin Simon & Co. was acquired by City Stores Company of Philadelphia. Oppenheim Collins & Company, Inc merged with Franklin Simon, but the two chains continued to operate under separate trade names and as separate divisions under the newly formed City Specialty Stores. In 1961/1962, City Stores changed the name of the Oppenheim Collins & Co. stores to Franklin Simon. City Stores filed for Chapter 11 bankruptcy in July 1979. Under the reorganization plan, City Stores closed the 42 Franklin Simon stores.

In 1993, Dover Books on Costume reissued the "Franklin Simon Fashion Catalog for 1923".