

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

August 3, 1943

R&S dsc - 9

DEPARTMENT STORE CREDIT

JUNE 1943

At department stores instalment accounts outstanding at the end of June declined by somewhat more than the usual seasonal amount, and were 45 per cent below the year-ago level. Collections on instalment accounts decreased 9 per cent, resulting in a collection ratio of 29 per cent. The average period that instalment accounts are outstanding is now about 6 months as compared with about 8 months in June 1942.

Charge accounts receivable rose 2 per cent in June, when a decline is usual, but at the end of the month were 9 per cent below those on the corresponding date of 1942. Collections on charge accounts decreased 5 per cent. Charge accounts were outstanding approximately 48 days in June, about 5 days less than in the same month last year.

In June, cash and charge-account sales increased slightly over the May volume. Cash sales accounted for about 60 per cent of the total for the third consecutive month, and continued well above the level of a year ago. Instalment sales declined 6 per cent in June, but for the first time in more than a year showed an increase over the year-ago level. Charge-account sales were marked by a contraseasonal rise from May to June, and an increase of 18 per cent over the volume of June 1942.

Department Store Sales, Accounts Receivable and Collections

	Percentage change from:		
	May 1943 to June 1943	June 1942 to June 1943	
Sales during month			
Cash	+ 4	+ 36	
Instalment	- 6	+ 6	
Charge account	+ 5	+ 18	
Accounts receivable, end of month			
Instalment accounts	- 7	- 45	
Charge accounts	+ 2	- 9	
Collections during month			
Instalment accounts	- 9	- 31	
Charge accounts	- 5	- 17	
Ratio of collections during month to receivables at beginning of month			
	June 1943	May 1943	June 1942
Instalment accounts	29	30	22
Charge accounts	62	63	56

Department Store Cash and Credit Sales,
by Federal Reserve Districts

Federal Reserve District	Cash sales			Instalment sales			Charge-account sales		
	Percentage change from:			Percentage change from:			Percentage change from:		
	May 1943 to June 1943	June 1942 to June 1943	June 1943	May 1943 to June 1943	June 1942 to June 1943	June 1943	May 1943 to June 1943	June 1942 to June 1943	June 1943
Boston	- 3	+ 19	- 19	- 10	- 2	+ 8			
New York	+ 3	+ 22	- 6	+ 21	+ 1	+ 14			
Philadelphia	- 1	+ 25	- 15	+ 5	+ 3	+ 13			
Cleveland	+ 4	+ 31	- 20	- 7	+ 7	+ 19			
Richmond	+ 1	+ 30	- 6	- 5	- 3	+ 18			
Atlanta	- 7	+ 56	+ 4	+ 15	- 7	+ 30			
Chicago	+ 8	+ 34	- 9	+ 2	+ 11	+ 14			
St. Louis	- 12	+ 41	+ 1	- 9	+ 15	+ 26			
Minneapolis	+ 10	+ 37	+ 8	+ 2	+ 15	+ 19			
Kansas City	+ 14	+ 72	+ 69	+ 69	+ 10	+ 26			
Dallas	- 3	+ 81	- 1	+ 25	- 4	+ 46			
San Francisco	+ 4	+ 64	0	+ 7	+ 7	+ 22			
U. S. Total	+ 4	+ 36	- 6	+ 6	+ 5	+ 18			

Department Store Accounts Receivable and Collections,
by Federal Reserve Districts

Federal Reserve District	Accounts outstanding, end of month						Collection ratios*					
	Indexes: Dec. 31, 1939 = 100						Instalment			Charge accounts		
	Instalment		Charge Accounts				June	May	June	June	May	June
	June 1943	May 1943	June 1942	June 1943	May 1943	June 1942	1943	1943	1942	1943	1943	1942
Boston	38	42	75	69	70	67	26	27	21	54	55	58
New York	54	55	81	63	61	70	24	24	21	51	52	49
Philadelphia	37	41	74	61	61	60	27	29	21	62	62	58
Cleveland	46	50	90	66	64	72	31	33	23	63	63	57
Richmond	47	49	86	64	65	76	25	26	20	57	57	50
Atlanta	43	49	86	64	65	71	24	25	18	52	55	43
Chicago	39	42	74	62	59	66	37	39	29	70	72	65
St. Louis	47	50	86	66	63	71	30	32	24	67	68	61
Minneapolis	43	47	75	58	54	61	36	36	24	78	78	67
Kansas City	48	51	80	64	62	69	33	33	23	67	69	59
Dallas	49	52	83	67	68	63	29	28	18	60	62	51
San Francisco	46	49	83	62	61	70	33	32	23	70	69	59
U. S. Total	45	48	81	63	62	69	29	30	22	62	63	56

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* - Collections during month as per cent of accounts at beginning of month.

Note: These data are based on reports of about 475 large department stores reporting sales by type of transaction, more than 400 having charge accounts and about 200 having instalment accounts. Back figures may be obtained on request from the Division of Research and Statistics.