

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17.3

November 2, 1948

DEPARTMENT STORE CREDIT

FEDERAL RESERVE BANK

NOV 4 1948

SEPTEMBER 1948

FEDERAL RESERVE BANK
OF RICHMOND

Instalment accounts receivable showed about the usual small rise in September, and were nearly three-fourths larger than a year earlier. Collections on instalment accounts were 7 per cent higher than in August, and accounted for 24 per cent of accounts outstanding on the first of the month, one point more than in the preceding month. At this rate of repayment instalment accounts would be liquidated in about seven months.

Charge accounts outstanding also increased by about the customary amount from the end of August. Collections on charge accounts during September rose slightly, and the collection ratio amounted to 53 per cent as compared with 51 per cent a month ago. The average collection period for accounts outstanding in September was nearly 57 days, about the same average as for September 1947.

The volume of both cash and credit sales showed a substantial increase in September, as is usual in this month. Cash sales accounted for 50 per cent of total sales, the smallest percentage reported for this type of transaction since early 1942. Cash sales were down slightly from the year-ago level, but both instalment and charge-account sales registered increases in the corresponding 12-month period.

Department Store Sales, Accounts Receivable and Collections

Item	Percentage change from:		
	Aug. 1948 to Sept. 1948	Sept. 1947 to Sept. 1948	
Sales during month			
Cash	+18	- 1	
Instalment	+12	+37	
Charge account	+29	+10	
Accounts receivable, end of month			
Instalment accounts	+ 5	+74	
Charge accounts	+14	+13	
Collections during month			
Instalment accounts	+ 7	+35	
Charge accounts	+ 2	+13	
Ratio of collections during month to accounts receivable at beginning of month			
	Sept. <u>1948</u>	Aug. <u>1948</u>	Sept. <u>1947</u>
Instalment accounts	24	23	31
Charge accounts	53	51	53

Note.—Figures for September 1948 are preliminary and subject to revision.

DEPARTMENT STORES - SEPTEMBER 1948

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes: 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	Sept. 1948p	Aug. 1948	Sept. 1947	Sept. 1948p	Aug. 1948	Sept. 1947	Sept. 1948p	Aug. 1948	Sept. 1947
Boston	224	157	214	197	168	146	221	136	189
New York	211	164	213	209	172	155	195	132	176
Philadelphia	231	168	229	232	173	163	223	153	199
Cleveland	234	206	224	233	233	165	230	184	205
Richmond	223	174	216	172	153	126	241	171	209
Atlanta	284	266	292	293	268	170	279	235	248
Chicago	233	202	243	182	158	146	228	180	215
St. Louis	242	219	244	266	248	196	242	188	218
Minneapolis	276	244	287	227	191	204	250	199	234
Kansas City	297	274	319	245	252	205	238	208	217
Dallas	290	252	321	364	326	197	316	239	283
San Francisco	229	238	244	196	207	147	216	214	206
U. S. Total	231	196	234	215	192	157	229	177	207

Accounts Receivable and Collections, by Federal Reserve Districts

Federal Reserve District	Accounts outstanding, end of month						Collection ratios*					
	Indexes: 1941 average = 100						Instalment		Charge accounts			
	Sept. 1948p	Aug. 1948	Sept. 1947	Sept. 1948p	Aug. 1948	Sept. 1947	Sept. 1948p	Sept. 1947	Sept. 1948p	Aug. 1948	Sept. 1947	
Boston	115	105	85	172	144	162	20	22	23	51	46	49
New York	122	119	84	170	148	153	24	23	26	50	45	46
Philadelphia	153	148	85	196	166	166	22	21	30	50	49	53
Cleveland	186	178	112	198	177	174	21	21	27	51	51	52
Richmond	116	108	64	167	145	159	22	20	25	37	36	45
Atlanta	222	209	100	203	179	168	18	20	27	38	37	41
Chicago	115	109	69	193	167	172	40	32	44	61	60	62
St. Louis	170	160	83	218	189	176	23	23	35	52	51	53
Minneapolis	161	151	98	186	160	178	24	25	39	61	59	59
Kansas City	198	190	101	184	166	159	22	22	36	56	55	50
Dallas	275	251	103	204	171	176	18	17	31	57	56	58
San Francisco	152	146	88	187	178	164	28	30	36	63	64	64
U. S. Total	151	144	87	188	165	166	24	23	31	53	51	53

p. - Preliminary.

* - Collections during month as percentage of accounts-receivable 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 300 having instalment accounts. Back figures may be obtained on request from the Division of Research and Statistics.