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BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

STATEMENT FOR THE PRESS

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DEPARTMENT STORE INVENTORIES

Stocks of goods held by department stores throughout the country increased by 35 per cent in value in the year ending October 31, according to information compiled by the Federal Reserve System. Outstanding orders by department stores were also considerably larger than a year earlier, while sales by these stores showed a smaller increase, which for the three months September through November amounted to 15 per cent over the corresponding period of last year. Most of the increase in stocks occurred after the middle of this year; prior to that time department store stocks were exceptionally small in relation to the volume of sales. Outstanding orders also increased considerably during the summer but later declined somewhat. To a varying degree the increases in sales, stocks, and outstanding orders reflect price increases. On the average these have amounted to perhaps 15 per cent over the past year, although changes have differed considerably among different classes of products. Furniture prices, for example, have advanced by 25 per cent, and men's apparel prices by 10 per cent.

According to a special survey made by the Board of Governors and the Federal Reserve Banks, substantial increases in stocks have occurred in all departments of the stores during the past year. The largest percentage increases were reported in stocks of household appliances and of some types of women's apparel and accessories. Women's coats, suits, dresses, and shoes, however, showed the smallest increases, probably owing to the importance of style changes in these lines. Department stores also held at the end of October a relatively large amount of goods in the "small wares" and "miscellaneous" groups of departments, which include many items, such as toys, luggage, jewelry, and the like, that are important in the Christmas trade.

For the country as a whole department store stocks at the end of October amounted to about 3-1/2 months' supply at the rate of October sales--while a year earlier stocks represented about 2-3/4 months' supply. It should be noted, however, that the October comparison is not altogether representative of the change over the year,

because October sales showed a smaller increase from the previous year than sales in other recent months. In departments where sales in October were not greatly different from those in previous months, the ratios of stocks to sales were generally about one-sixth larger than a year ago. Apparently both this year and last the relation of stocks to sales was fairly uniform in different regions of the country, although stocks in some of the Eastern sections were somewhat below the average and those in some of the Western districts somewhat above the average.

The attached table shows for the principal departments of stores reporting in this special survey percentage changes in stocks and sales in October this year over the same month last year and also ratios of stocks to sales. Reports from 340 stores are included in the total, compared with a sample of from 240 to 250 stores that report departmental sales figures monthly. For purposes of comparison figures on sales by 244 stores in the period January-September 1941 are also shown. Although based on a different sample, these figures are roughly comparable with the others in the table; in October the two different samples showed closely similar results.

DEPARTMENT STORE STOCKS AND SALES, BY MAJOR DEPARTMENTS

	October					Jan.-Sept.
	Number of stores	% change 1940-1941		Ratio of stocks to sales (month's supply)		% change in sales 1940-1941 244 stores
		Stocks	Sales	1940	1941	
GRAND TOTAL--entire store	340	+35	+10	2.7	3.4	+17
MAIN STORE--total <u>1/</u>	340	+34	+10	2.9	3.5	+18
Women's apparel and accessories	*	+32	+3	2.3	2.9	+16
Coats & suits	314	+20	-5	1.4	1.7	+27
Dresses	316	+15	+6	1.2	1.3	+11
Blouses, skirts, sportswear, etc.	300	+33	+20	1.9	2.1	+19
Juniors' and girls' wear	*	+27	+11	1.9	2.2	+19
Aprons, housedresses, uniforms	264	+47	+12	2.0	2.7	+14
Underwear, slips, negligees	*	+51	+17	3.8	4.8	+15
Infants' wear	284	+41	+19	2.6	3.0	+16
Women's and children's shoes	230	+15	+11	4.2	4.4	+12
Furs	241	+17	-59	2.8	7.9	+45
Men's and boys' wear	*	+29	+17	4.2	4.7	+14
Men's clothing	219	+19	+16	3.9	4.1	+16
Men's furnishings, hats, caps	289	+38	+18	4.6	5.3	+11
Boys' clothing & furnishings	264	+30	+15	3.6	4.1	+14
Men's & boys' shoes & slippers	141	+24	+15	6.1	6.6	*
Housefurnishings	*	+36	+18	3.3	3.8	+24
Furn., beds, mattresses, springs	225	+34	+21	3.0	3.3	+25
Domestic floor coverings	247	+28	+19	3.3	3.6	+26
Draperies, curtains, upholstery	281	+27	+14	3.0	3.4	+15
Major household appliances	200	+85	+3	2.1	3.8	+40
Domestics, blankets, linens, etc.	*	+36	+22	3.8	4.2	+24
Piece goods	*	+23	+15	3.6	3.8	+7
Cotton wash goods	125	+32	+22	4.0	4.3	*
BASEMENT STORE--total <u>2/</u>	*	+45	+13	2.0	2.6	+14
Women's apparel & accessories	*	+52	+10	1.5	2.1	+14
Men's & boys' clothing & furnishings	160	+45	+14	2.7	3.4	+10
Housefurnishings	*	+48	+23	2.2	2.7	+20
Piece goods	69	+32	+21	2.8	3.1	+9
Shoes	114	+27	+10	3.1	3.6	+8

*Not available. Number of stores included in each group total is somewhat greater than the largest number shown for any subgroup.

1/Group totals for main store include sales in departments not shown separately.

2/Group totals for basement are not strictly comparable with those shown for main store owing chiefly to inclusion in basement of fewer departments and somewhat different types of merchandise.