

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

July 7, 1943
R&S dsc - 8

DEPARTMENT STORE CREDIT

May 1943

Instalment accounts outstanding at department stores declined 7 per cent in May, and continued 48 per cent below the level of a year ago. Collections on instalment accounts decreased 7 per cent in May, resulting in a collection ratio of 30 per cent, as compared with 31 for the preceding month and 22 for the corresponding month last year.

Charge accounts receivable were reduced somewhat in May, as is usual at this time of the year, and at the end of the month were 24 per cent below those on the corresponding date of 1942. Collections on charge accounts remained at the level of the preceding month, and the collection ratio was unchanged at 63. A year ago it was 50.

In May, both cash and credit sales at department stores showed post-Easter declines. Cash sales, which continued to account for about three-fifths of the total, remained substantially above the year ago level. Instalment sales decreased 19 per cent from the preceding month but were only 7 per cent below the volume during the corresponding month last year. Charge-account sales declined less than is usual from April to May and were 4 per cent above the corresponding month of 1942.

Department Store Sales, Accounts Receivable and Collections

	Percentage change from:		
	April 1943 to May 1943	May 1942 to May 1943	
Sales during month			
Cash	- 9	+34	
Instalment	-19	- 7	
Charge account	- 7	+ 4	
Accounts receivable, end of month			
Instalment accounts	- 7	-48	
Charge accounts	- 4	-24	
Collections during month			
Instalment accounts	- 7	-29	
Charge accounts	0	- 9	
Ratio of collections during month to receivables at beginning of month			
	May <u>1943</u>	April <u>1943</u>	May <u>1942</u>
Instalment accounts	30	31	22
Charge accounts	63	63	50

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:	
	April 1943 to May 1943	May 1942 to May 1943	April 1943 to May 1943	May 1942 to May 1943	April 1943 to May 1943	May 1942 to May 1943
Boston	- 11	+ 27	- 25	- 16	- 7	+ 2
New York	- 10	+ 16	- 15	+ 2	- 5	+ 2
Philadelphia	- 11	+ 26	- 28	+ 12	- 7	- 1
Cleveland	- 11	+ 33	- 11	- 14	- 7	+ 4
Richmond	- 4	+ 34	- 21	- 15	0	+ 2
Atlanta	- 4	+ 56	- 7	- 9	- 5	+ 13
Chicago	- 11	+ 32	- 23	- 6	- 10	- 1
St. Louis	- 14	+ 31	- 39	- 16	- 14	+ 3
Minneapolis	- 13	+ 39	- 33	- 15	- 15	+ 10
Kansas City	- 10	+ 56	- 5	- 6	- 11	+ 12
Dallas	- 2	+ 80	- 21	+ 5	- 4	+ 24
San Francisco	- 8	+ 38	- 15	+ 4	- 7	+ 10
W. S. Total	- 9	+ 34	- 19	- 7	- 7	+ 4

Department Store Accounts Receivable and Collections,
by Federal Reserve Districts

Federal Reserve District	Accounts outstanding, end of month						Collection ratios*					
	Index: Dec. 31, 1939 = 100						Instalment			Charge Accounts		
	Instalment		Charge Accounts				Instalment		Charge Accounts			
	May 1943	April 1943	May 1942	April 1942	May 1943	April 1943	May 1943	April 1943	May 1942	April 1942	May 1942	April 1942
Boston	82	42	86	70	872	60	r 27	20	33	r 55	50	
New York	55	30	30	61	67	82	r 24	20	52	52	44	
Philadelphia	41	44	65	62	64	78	27	31	21	63	r 64	
Cleveland	50	52	101	64	66	64	33	24	24	63	65	
Richmond	49	37	94	63	66	93	26	27	19	57	59	
Atlanta	42	37	94	65	67	88	25	24	17	55	54	
Chicago	42	45	84	59	62	77	30	41	28	72	73	
St. Louis	50	55	94	64	68	97	32	34	23	68	68	
Minneapolis	47	r 52	82	54	59	72	36	r 39	23	70	r 79	
Kansas City	51	55	91	62	66	82	33	34	22	69	68	
Dallas	49	54	103	66	69	84	26	27	16	62	62	
San Francisco	43	53	91	61	64	85	32	33	22	69	r 70	
W. S. Total	46	51	91	62	65	87	30	31	22	65	65	

r - Revised.

* - 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 300 having instalment accounts. Bracket figures may be obtained on request from the Division of Research and Statistics.