

## BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

September 2, 1943

R&amp;S dsc - 10

## DEPARTMENT STORE CREDIT

JULY 1943

Department store instalment accounts outstanding at the end of July showed slightly more than the usual seasonal decline from June and were 44 per cent below the level of July 1942. Collections on instalment accounts decreased 3 per cent during July, resulting in a collection ratio of 30 per cent. Instalment accounts were outstanding for an average of slightly more than five and one-half months in comparison with an average of nearly eight months in the corresponding month of last year.

Charge accounts receivable were 17 per cent below the June level, a somewhat more than seasonal decrease, and remained unchanged from the level of July 1942. Collections on charge accounts increased 3 per cent. These accounts were outstanding on an average for about 48 days in July as compared with about 50 days in July 1942.

Sales at department stores declined by 20 per cent during July. The largest percentage decrease was reflected in charge-account sales which continued to be of declining importance in the total. Cash sales accounted for about 93 per cent of the July total, a somewhat larger proportion than in other recent months. Instalment sales declined 6 per cent from the preceding month, but for the second consecutive months showed an increase from the corresponding month of 1942.

## Department Store Sales, Accounts Receivable and Collections

	Percentage change from:		
	June 1943		July 1942
	to July 1943	to July 1943	to July 1942
Sales during month			
Cash	- 17		+ 29
Instalment	- 6		+ 4
Charge account	- 27		+ 10
Accounts receivable, end of month			
Instalment accounts	- 8		- 44
Charge accounts	- 17		0
Collections during month			
Instalment accounts	- 3		- 27
Charge accounts	+ 3		- 6
Ratio of collections during month to receivables at beginning of month			
	July 1943	June 1943	July 1942
Instalment accounts	30	29	23
Charge accounts	62	62	60

Department Store Cash and Credit Sales,  
by Federal Reserve Districts

Federal Reserve District	Cash sales		Installment sales		Charge-account sales	
	Percentage change from:		Percentage change from:		Percentage change from:	
	June 1943 to July 1943	July 1943 to July 1943	June 1943 to July 1943	July 1942 to July 1943	June 1943 to July 1943	July 1942 to July 1943
Boston	- 27	+ 12	- 2	- 1	- 36	- 1
New York	- 25	+ 10	- 9	+ 13	- 36	- 4
Philadelphia	- 26	+ 24	- 3	+ 10	- 33	+ 3
Cleveland	- 13	+ 32	- 8	+ 6	- 30	+ 11
Richmond	- 18	+ 20	0	+ 1	- 25	+ 6
Atlanta	- 6	+ 52	+ 9	+ 19	- 9	+ 35
Chicago	- 13	+ 37	- 7	+ 6	- 31	+ 9
St. Louis	- 14	+ 37	- 4	- 19	- 27	+ 14
Minneapolis	- 17	+ 37	+ 6	+ 32	- 31	+ 9
Kansas City	- 14	+ 52	- 40	- 11	- 22	+ 13
Dallas	- 22	+ 36	+ 9	+ 33	- 17	+ 41
San Francisco	- 8	+ 46	- 2	- 12	- 18	+ 12
U. S. Total	- 17	+ 29	- 6	+ 4	- 27	+ 10

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						Installment		Charge accounts		Installment		Charge accounts		
	July 1943	June 1943	July 1942	July 1943	June 1943	July 1942	July 1943	June 1943	July 1942	July 1943	June 1943	July 1942	July 1943	June 1943	July 1942
	1943	1943	1942	1943	1943	1942	1943	1943	1942	1943	1943	1942	1943	1943	1942
Boston	35	35	37	37	69	50	27	26	40	53	51	62			62
New York	50	54	73	51	r62	54	24	24	21	51	51	51			51
Philadelphia	33	37	63	49	61	50	29	27	21	62	62	62			62
Cleveland	37	43	74	51	66	53	32	31	23	63	r62	62			62
Richmond	43	47	81	55	61	53	25	25	20	77	77	55			55
Atlanta	41	45	82	37	61	58	25	24	13	53	52	50			50
Chicago	34	39	66	36	62	49	39	37	28	72	70	63			63
St. Louis	44	47	72	31	66	51	33	30	24	68	67	63			63
Minneapolis	41	43	69	46	52	46	39	36	23	77	73	72			72
Kansas City	44	r52	73	31	61	56	36	33	24	70	67	61			61
Dallas	47	49	81	59	67	54	30	29	19	61	60	57			57
San Francisco	43	46	73	53	62	57	34	33	24	71	r69	65			65
U. S. Total	41	45	74	53	r44	53	30	29	23	62	62	60			60

r = Revised.

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

Note: These data are based on reports of about 175 large department stores reporting sales by type of transaction, more than 400 having charge accounts and about 500 having installment accounts. Back figures may be obtained on request from the Division of Research and Statistics.