

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

October 2, 1943

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DEPARTMENT STORE CREDIT

August 1943

Instalment accounts outstanding at department stores declined 3 per cent in August, and were 43 per cent below the year-ago level. Collections on instalment accounts decreased 3 per cent in August, but the collection ratio reached a new high level of 32 per cent. The average length of time instalment accounts were outstanding was about 5 months as compared with about 7 months in August 1942.

Charge accounts receivable showed a small contraseasonal decline in August, but at the end of the month were only 2 per cent below the corresponding month of last year. Although collections declined 17 per cent during August, they were above the year-ago level for the first time in several months. Charge accounts were outstanding, on the average, about 48 days in August, approximately 3 days less than in August 1942.

Cash and charge-account sales at department stores showed somewhat less than the usual seasonal rise from July to August. Cash sales, which continued to account for more than three-fifths of the total, were 18 per cent above the year-ago volume, the smallest percentage increase this year. Instalment sales increased 20 per cent in August, but were 13 per cent below the same month last year. Charge-account sales were in about the same volume as in the corresponding month of 1942.

Department Store Sales, Accounts Receivable and Collections

	Percentage change from:		
	July 1943 to August 1943	August 1942 to August 1943	
Sales during month			
Cash	+ 10	+ 16	
Instalment	+ 20	- 13	
Charge account	+ 13	+ 1	
Accounts receivable, end of month			
Instalment accounts	- 3	- 43	
Charge accounts	- 1	- 2	
Collections during month			
Instalment accounts	- 3	- 27	
Charge accounts	- 17	+ 5	
Ratio of collections during month to receivables at beginning of month.			
	August 1943	July 1943	August 1942
Instalment accounts	32	30	24
Charge accounts	62	62	59

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:	
	July 1943 to Aug. 1943	Aug. 1942 to Aug. 1943	Aug. 1943	July 1943 to Aug. 1943	Aug. 1942 to Aug. 1943	Aug. 1943	July 1943 to Aug. 1943	Aug. 1942 to Aug. 1943
Boston	+ 9	+13	+34	-21	+13	- 2		
New York	+ 4	+ 4	+27	0	+13	- 2		
Philadelphia	+ 7	+ 9	+43	-12	+ 4	-10		
Cleveland	+16	+17	+36	-16	+15	+ 2		
Richmond	+ 1	+ 8	+23	-10	+ 9	- 6		
Atlanta	+17	+38	- 3	-11	+18	+17		
Chicago	+14	+23	+ 2	-14	+17	+ 1		
St. Louis	+15	+18	+18	-23	+13	- 1		
Minneapolis	+19	+30	+21	- 8	+22	+ 8		
Kansas City	+13	+35	+ 4	-32	+10	+ 6		
Dallas	+ 9	+34	+ 9	+14	+17	+27		
San Francisco	+ 9	+31	+ 8	-23	+ 8	+ 1		
U. S. Total	+10	+18	+20	-13	+13	+ 1		

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		
	Aug. 1943	July 1943	Aug. 1942	Aug. 1943	July 1943	Aug. 1942	Aug. 1943	July 1943	Aug. 1942	Aug. 1943	July 1943	Aug. 1942
Boston	31	35	63	52	57	48	28	27	22	56	53	55
New York	47	50	69	47	51	52	26	24	23	50	51	48
Philadelphia	32	33	61	46	49	49	30	29	25	62	62	59
Cleveland	42	37	76	55	54	54	34	32	26	63	63	61
Richmond	41	43	74	50	53	56	27	25	20	58	57	52
Atlanta	46	41	78	61	57	59	30	25	20	52	55	46
Chicago	35	34	62	51	50	50	40	39	29	70	72	67
St. Louis	40	42	76	55	54	56	35	33	24	66	68	63
Minneapolis	44	41	63	50	46	50	42	39	23	79	77	74
Kansas City	42	46	73	54	54	57	36	36	25	70	70	62
Dallas	46	47	77	62	60	58	30	30	21	61	61	53
San Francisco	42	43	76	55	55	58	35	34	25	70	r70	66
U. S. Total	40	41	70	52	53	53	32	30	24	62	62	59

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. Back figures may be obtained on request from the Division of Research and Statistics.