

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17.3

February 5, 1947

DEPARTMENT-STORE-CREDIT

DECEMBER 1946

Instalment accounts outstanding at department stores increased by more than the customary amount in December, and exceeded the year-ago level by 58 per cent. Collections on instalment accounts were up 7 per cent, but the resulting collection ratio of 35 per cent was two points less than for November. Instalment accounts were repaid in approximately four and one-half months in December.

Charge accounts receivable showed about the usual seasonal rise, and at the year-end were more than one-half larger than a year earlier. Collections on charge accounts rose slightly, but the collection ratio dropped five points to 54 per cent. Charge accounts were outstanding, on the average, about 56 days, approximately six days longer than in December last year.

Both cash and credit sales showed substantial gains from November, and the dollar volume for each type of transaction rose to new high levels. Cash sales, which continued to account for 57 per cent of the total, were 8 per cent higher than in the preceding year. Charge-account sales showed a 44 per cent increase from a year ago, while instalment sales were up 84 per cent.

Department Store Sales, Accounts Receivable and Collections

	Percentage change from:		
	November 1946 to December 1946	December 1945 to December 1946	
Sales during month			
Cash	+29	+ 8	
Instalment	+86	+84	
Charge account	+26	+44	
Accounts receivable, end of month			
Instalment accounts	+21	+58	
Charge accounts	+25	+53	
Collections during month			
Instalment accounts	+ 7	+44	
Charge accounts	+ 4	+39	
Ratio of collections during month to accounts receivable at beginning of month			
	<u>Dec.</u> <u>1946</u>	<u>Nov.</u> <u>1946</u>	<u>Dec.</u> <u>1945</u>
Instalment accounts	35	37	37
Charge accounts	54	59	61

Note: Figures for December 1946 are preliminary and subject to revision.

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FEDERAL DEPARTMENT STORES - DECEMBER 1946

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes; 1941 Average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	Dec. 1946p	Nov. 1946	Dec. 1945	Dec. 1946p	Nov. 1946	Dec. 1945	Dec. 1946p	Nov. 1946	Dec. 1945
Boston	355	258	337	242	181	106	285	218	191
New York	328	268	314	245	155	127	270	208	180
Philadelphia	305	268	376	227	145	135	266	233	205
Cleveland	304	274	343	180	141	84	309	240	215
Richmond	308	261	332	175	153	120	283	233	199
Atlanta	307	348	317	130	154	81	255	235	177
Chicago	381	252	340	163	134	103	275	224	191
St. Louis	373	301	355	210	165	133	291	238	198
Minneapolis	461	348	415	181	173	115	290	230	207
Kansas City	401	388	489	162	136	96	272	230	181
Dallas	364	422	370	215	184	119	306	237	237
San Francisco	432	339	428	154	121	89	332	252	216
U. S. Total	364	297	355	199	146	109	293	233	203

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		
	Dec. 1946p	Nov. 1946	Dec. 1945	Dec. 1946p	Nov. 1946	Dec. 1945	Dec. 1946p	Nov. 1946	Dec. 1945	Dec. 1946p	Nov. 1946	Dec. 1945
Boston	66	71	58	223	176	143	22	27	25	47	51	54
New York	77	62	54	190	153	137	30	33	28	46	49	53
Philadelphia	76	84	51	224	176	151	35	42	37	55	62	58
Cleveland	78	64	48	237	182	150	34	37	38	52	57	59
Richmond	78	63	57	208	153	137	30	32	30	49	55	52
Atlanta	86	74	52	157	154	139	33	33	36	46	51	49
Chicago	81	55	35	228	153	150	43	43	57	63	67	69
St. Louis	80	53	48	225	153	144	45	43	45	59	65	67
Minneapolis	81	66	56	220	165	134	30	42	43	62	69	79
Kansas City	81	74	51	152	157	126	43	43	44	66	69	70
Dallas	84	71	43	221	179	150	38	32	35	61	64	64
San Francisco	84	55	38	253	194	148	42	41	43	55	56	67
U. S. Total	75	62	48	221	176	144	35	37	37	54	59	61

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.