

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

September 8, 1947

G.17.3

DEPARTMENT STORE CREDIT

JULY 1947

Instalment accounts outstanding at department stores increased slightly in July, when some decline is usual, and at the end of July were 87 per cent higher than on the corresponding date of the preceding year. Increased collections on instalment accounts resulted in a collection ratio of 27 per cent, the same as in June. The average repayment period for instalment accounts outstanding in July was around six months.

Charge accounts receivable showed about the customary seasonal decrease, and continued well above the year-ago level. Collections on charge accounts were 2 per cent less than in the preceding month, and the ratio of collections to accounts receivable on the first of the month was 53 per cent. At the current rate of repayment charge accounts would be outstanding, on the average, about 56 days.

The volume of both cash and credit sales declined by about the usual amount from June to July. Cash sales, accounting for 57 per cent of the total, were 4 per cent smaller than in the corresponding month of 1946. Instalment sales continued in considerably larger volume than a year ago, while the gain in charge-account sales was 9 per cent.

Department Store Sales, Accounts Receivable and Collections

	Percentage change from:		
	June 1947 to July 1947	July 1946 to July 1947	
Sales during month			
Cash	-16	- 4	
Instalment	- 7	+53	
Charge account	-21	+ 9	
Accounts receivable, end of month			
Instalment accounts	+ 1	+87	
Charge accounts	-12	+23	
Collections during month			
Instalment accounts	+ 2	+54	
Charge accounts	- 2	+15	
Ratio of collections during month to accounts receivable at beginning of month			
	July <u>1947</u>	June <u>1947</u>	July <u>1946</u>
Instalment accounts	27	27	32
Charge accounts	53	54	58

Note:--Figures for July 1947 are preliminary and subject to revision.

DEPARTMENT STORES - JULY 1947

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes; 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	July 1947p	June 1947	July 1946	July 1947p	June 1947	July 1946	July 1947p	June 1947	July 1946
Boston	148	197	149	101	134	62	112	169	104
New York	161	213	157	100	114	65	117	169	107
Philadelphia	156	197	172	99	112	65	131	182	115
Cleveland	134	205	191	132	142	75	149	190	137
Richmond	154	209	177	81	82	77	132	187	126
Atlanta	218	251	256	116	148	93	150	169	145
Chicago	195	251	194	114	124	70	146	185	127
St. Louis	156	196	207	139	137	99	147	167	138
Minneapolis	220	262	236	113	124	105	146	199	138
Kansas City	252	273	275	157	138	93	151	188	142
Dallas	253	266	313	162	135	116	185	194	181
San Francisco	221	229	243	123	123	80	173	195	157
U. S. Total	184	219	191	114	123	75	143	182	130

Accounts Receivable and Collections, by Federal Reserve Districts

Federal Reserve District	Accounts outstanding, end of month						Collection ratios *					
	Index: 1941 average = 100						Instalment		Charge accounts			
	July 1947p	June 1947	July 1946	July 1947p	June 1947	July 1946	July 1947p	June 1947	July 1946	July 1947p	June 1947	July 1946
Boston	74	78	46	142	171	124	22	20	23	45	48	48
New York	80	82	49	138	159	114	22	24	26	43	47	47
Philadelphia	78	81	38	145	173	108	25	24	32	53	54	61
Cleveland	103	103	45	153	174	122	24	26	34	54	54	58
Richmond	72	75	50	141	166	113	21	23	27	45	44	50
Atlanta	92	92	51	137	151	119	25	25	33	41	40	46
Chicago	68	68	37	156	171	117	33	34	47	61	61	66
St. Louis	77	78	45	156	172	119	33	32	39	56	54	65
Minneapolis	87	86	55	149	168	108	32	33	39	56	61	70
Kansas City	82	79	53	139	151	108	35	34	36	60	58	70
Dallas	94	91	56	139	154	127	29	25	30	61	58	59
San Francisco	51	77	38	147	158	133	40	35	41	65	63	61
U. S. Total	83	82	45	146	165	119	27	27	32	53	54	58

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.