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DEPARTMENT STORE CREDIT

MARCH 1948

RESEARCH DEPARTMENT 1948

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FEDERAL RESERVE BANK
OF RICHMOND

Instalment accounts outstanding at department stores showed a small increase in March, and at the end of the month were 70 per cent higher than a year earlier. Collections on instalment accounts, which generally show a substantial rise in March, were 11 per cent larger than in February. The ratio of collections to accounts outstanding on March 1 was 27 per cent as compared with 23 per cent in February. At the current rate of repayment instalment accounts would be outstanding about six and one-half months, more than one month longer than a year earlier.

Charge accounts receivable showed less than the usual gain in March, but were nearly one-fifth above the year-ago level. Even though charge-account collections declined 5 per cent, the March collection ratio rose four points to 53 per cent. The average repayment period for charge accounts outstanding in March was 57 days.

The volume of both cash and credit sales at department stores showed a marked expansion in March, due largely to pre-Easter buying. A slight shift from cash to credit purchasing was evident during the month but cash sales still accounted for more than half the total volume. Cash sales were at the March 1947 level. The year-to-year gain for charge-account sales was 15 per cent, and for instalment sales, 35 per cent.

Department Store Sales, Accounts Receivable and Collections

	Percentage change from:		
	February 1948 to March 1948	March 1947 to March 1948	
Sales during month			
Cash	+33	0	
Instalment	+36	+35	
Charge account	+38	+15	
Accounts receivable, end of month			
Instalment accounts	+4	+70	
Charge accounts	+5	+19	
Collections during month			
Instalment accounts	+11	+38	
Charge accounts	-5	+12	
Ratio of collections during month to accounts receivable at beginning of month			
	Mar. <u>1948</u>	Feb. <u>1948</u>	Mar. <u>1947</u>
Instalment accounts	27	23	33
Charge accounts	53	49	56

Note.—Figures for March 1948 are preliminary and subject to revision.

DEPARTMENT STORES - MARCH 1948

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes: 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	Mar. 1948p	Feb. 1948	Mar. 1947	Mar. 1948p	Feb. 1948	Mar. 1947	Mar. 1948p	Feb. 1948	Mar. 1947
Boston	221	151	210	196	131	179	212	137	178
New York	219	165	220	190	134	143	193	136	168
Philadelphia	248	167	246	223	134	149	235	156	197
Cleveland	222	168	218	203	175	153	219	159	191
Richmond	226	161	219	200	105	165	223	172	200
Atlanta	317	213	309	253	243	150	293	183	247
Chicago	232	182	238	172	127	129	217	165	183
St. Louis	241	176	231	226	159	159	227	164	200
Minneapolis	272	209	275	196	156	143	234	171	197
Kansas City	298	228	298	242	181	144	239	180	194
Dallas	316	239	323	252	201	168	289	221	243
San Francisco	247	194	256	166	137	118	220	167	204
U. S. Total	236	177	235	197	144	146	223	161	193

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		
	Mar. 1948p	Feb. 1948	Mar. 1947	Mar. 1948p	Feb. 1948	Mar. 1947	Mar. 1948p	Feb. 1948	Mar. 1947	Mar. 1948p	Feb. 1948	Mar. 1947
Boston	120	122	81	185	170	179	21	18	23	48	42	47
New York	112	109	76	174	172	150	26	22	28	51	44	48
Philadelphia	148	138	76	208	186	164	23	20	32	53	49	59
Cleveland	145	140	90	204	192	165	25	22	29	50	48	56
Richmond	101	100	71	173	130	160	23	20	28	34	42	48
Atlanta	165	154	89	194	177	152	22	19	29	41	38	44
Chicago	101	100	58	184	175	155	37	32	49	64	57	64
St. Louis	119	115	73	217	203	164	32	27	39	53	48	61
Minneapolis	137	135	89	195	198	160	32	29	35	60	53	63
Kansas City	170	166	81	178	169	147	27	24	38	58	51	63
Dallas	198	164	87	199	185	160	24	18	32	58	56	62
San Francisco	130	126	65	146	183	165	30	27	39	62	55	59
U. S. Total	129	124	75	190	181	160	27	23	33	53	49	56

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.