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DEPARTMENT STORE CREDIT

FEDERAL RESERVE BANK

APRIL 1948

RICHMOND

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RESEARCH DEPARTMENT

June 7, 1948

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FEDERAL RESERVE BANK  
OF RICHMOND

Instalment accounts outstanding at department stores increased slightly in April, and at the month-end were about two-thirds above the year-ago level. Collections on instalment accounts dropped 4 per cent below the March volume, and amounted to 25 per cent of instalment accounts outstanding on the first of the month as compared with a collection ratio of 27 per cent in the preceding month. The collection rate for instalment accounts outstanding in April indicated that repayment would be made, on the average, in approximately seven months, a somewhat longer period than was required a year ago.

Charge accounts receivable were up one per cent in April, when some gain is usual, and showed a rise of 17 per cent from a year earlier. Collections on charge accounts were 2 per cent larger than in the preceding month, but the ratio of these collections to accounts outstanding on the first of the month was 52 per cent, one point below the March ratio. At the April collection rate charge accounts would be liquidated in approximately 58 days.

Cash and credit sales at department stores showed small decreases from the high March levels. Cash transactions, accounting for about one-half of the monthly sales volume, were 3 per cent less than in April of the preceding year. Instalment sales rose nearly two-fifths over the year, but the gain in charge-account sales was much less marked.

## Department Store Sales, Accounts Receivable and Collections

Item	Percentage change from:		
	March 1948 to April 1948	April 1947 to April 1948	
Sales during month			
Cash	- 6	- 3	
Instalment	- 3	+39	
Charge account	- 6	+ 9	
Accounts receivable, end of month			
Instalment accounts	+ 2	+66	
Charge accounts	+ 1	+17	
Collections during month			
Instalment accounts	- 4	+39	
Charge accounts	+ 2	+11	
Ratio of collections during month to accounts receivable at beginning of month			
	Apr. 1948	Mar. 1948	Apr. 1947
Instalment accounts	25	27	30
Charge accounts	52	53	54

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

## DEPARTMENT STORES - APRIL 1948

## Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes; 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	Apr. 1948p	Mar. 1948	Apr. 1947	Apr. 1948p	Mar. 1948	Apr. 1947	Apr. 1948p	Mar. 1948	Apr. 1947
Boston	213	221	203	179	195	160	201	212	173
New York	212	219	209	184	190	130	179	193	167
Philadelphia	201	247	222	176	223	140	204	235	196
Cleveland	202	222	214	214	203	152	204	219	194
Richmond	204	226	213	138	200	101	201	223	191
Atlanta	328	317	360	288	253	180	278	293	259
Chicago	228	232	231	180	172	130	214	217	186
St. Louis	219	241	229	231	226	164	216	227	194
Minneapolis	271	269	274	204	207	185	238	235	221
Kansas City	291	298	295	253	233	128	232	239	194
Dallas	303	316	335	317	252	187	276	289	244
San Francisco	219	245	242	166	164	117	203	222	196
U. S. Total	222	235	229	191	196	137	209	223	192

## 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		
	Apr. 1948p	Mar. 1948	Apr. 1947	Apr. 1948p	Mar. 1948	Apr. 1947	Apr. 1948p	Mar. 1948	Apr. 1947	Apr. 1948p	Mar. 1948	Apr. 1947
Boston	114	120	82	190	185	182	19	21	21	46	48	44
New York	113	112	81	172	174	152	24	26	24	49	51	45
Philadelphia	119	118	80	200	207	170	21	23	29	52	53	56
Cleveland	118	115	95	207	204	169	24	25	28	48	50	54
Richmond	101	101	71	171	173	160	22	23	25	36	34	45
Atlanta	113	165	89	193	194	157	20	22	27	39	41	43
Chicago	104	101	60	188	184	160	35	37	48	62	64	64
St. Louis	142	134	77	211	210	175	26	31	37	53	53	56
Minneapolis	151	137	95	205	195	170	29	32	36	56	60	62
Kansas City	179	169	80	184	178	150	25	27	37	56	58	59
Dallas	214	198	88	221	199	164	19	24	29	56	58	61
San Francisco	129	130	74	186	186	160	28	30	36	60	62	60
U. S. Total	132	129	79	191	189	163	25	27	30	52	53	54

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