

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17.3

DEPARTMENT STORE CREDIT

MAY 1948

 FEDERAL RESERVE BANK
 OF RICHMOND
 JUL 7 1948
 FEDERAL RESERVE DEPARTMENT

1948

Instalment accounts outstanding at department stores showed a further small rise in May, and continued around two-thirds larger than on the corresponding date last year. Collections on instalment accounts were in about the same volume as a month earlier, but the ratio of collections to instalment accounts outstanding on May 1 was 24 per cent, one point below the April ratio. At the current rate of collection, accounts would be repaid, on the average, in seven months.

Charge accounts receivable remained at the level of the preceding month, but were 15 per cent higher than on May 31 a year ago. Charge-account collections during the month showed a 2 per cent rise, and the collection ratio of 52 per cent was one point higher than in April. The average repayment period for accounts outstanding in May again amounted to approximately 58 days.

The volume of sales, both for cash and on credit, showed little change from April to May. Cash sales, which made up 52 per cent of total sales in May, were down 5 per cent from the year-ago level. Instalment sales continued to show a substantial rate of expansion over the year-period, but charge-account sales were up only 6 per cent from May 1947.

Department Store Sales, Accounts Receivable and Collections

Item	Percentage change from:		
	April 1948 to May 1948	May 1947 to May 1948	
Sales during month			
Cash	+ 3	- 5	
Instalment	- 3	+34	
Charge account	+ 1	+ 6	
Accounts receivable, end of month			
Instalment accounts	+ 3	+67	
Charge accounts	0	+15	
Collections during month			
Instalment accounts	+ 1	+35	
Charge accounts	+ 2	+ 9	
Ratio of collections during month to accounts receivable at beginning of month			
	May <u>1948</u>	Apr. <u>1948</u>	May <u>1947</u>
Instalment accounts	24	25	30
Charge accounts	52	51	56

Note: Figures for May 1948 are preliminary and subject to revision.

DEPARTMENT STORES - MAY 1948

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes; 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	May 1948p	Apr. 1948	May 1947	May 1948p	Apr. 1948	May 1947	May 1948p	Apr. 1948	May 1947
Boston	219	212	217	159	183	150	202	202	187
New York	214	212	223	178	184	131	188	179	178
Philadelphia	218	202	230	181	176	126	220	203	206
Cleveland	215	202	226	211	214	153	215	204	207
Richmond	235	204	250	164	138	128	210	201	211
Atlanta	277	328	300	284	288	184	220	278	211
Chicago	230	228	247	172	180	134	212	214	198
St. Louis	228	219	243	220	231	163	211	216	207
Minneapolis	256	259	265	182	249	131	244	243	210
Kansas City	297	292	310	239	249	150	231	230	203
Dallas	298	303	340	259	307	183	269	273	255
San Francisco	226	218	248	166	171	127	209	204	197
U. S. Total	227	222	241	187	192	139	212	209	201

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		
	May 1948p	Apr. 1948	May 1947	May 1948p	Apr. 1948	May 1947	May 1948p	Apr. 1948	May 1947	May 1948p	Apr. 1948	May 1947
Boston	111	113	83	189	199	176	21	19	24	44	44	46
New York	115	113	78	174	172	155	24	24	23	48	49	47
Philadelphia	151	149	86	205	200	177	21	21	28	53	52	57
Cleveland	161	148	99	205	207	174	24	24	27	50	48	56
Richmond	103	101	73	172	171	167	22	22	24	37	36	49
Atlanta	182	173	91	194	193	161	19	20	28	40	39	45
Chicago	107	104	62	191	188	166	34	35	47	62	62	65
St. Louis	145	142	78	214	211	181	24	26	36	53	53	59
Minneapolis	152	151	90	211	205	172	25	29	32	54	56	61
Kansas City	183	179	80	188	184	157	23	25	37	56	56	61
Dallas	227	214	92	219	221	168	19	19	30	53	56	63
San Francisco	130	129	76	187	186	161	29	28	33	61	60	64
U. S. Total	136	131	81	193	192	167	24	25	30	52	51	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.