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September 2, 1948

DEPARTMENT STORE CREDIT

JULY 1948

RESEARCH DEPARTMENT

SEP 3 1948

FEDERAL RESERVE BANK
OF RICHMOND

Instalment accounts receivable of department stores showed a small increase in July and were 68 per cent larger than a year earlier. Collections on instalment accounts dropped 4 per cent below the June volume, and represented 23 per cent of instalment accounts outstanding at the beginning of the month, a slightly lower ratio than in June. At this rate of collection instalment accounts would be outstanding about seven and one-half months, a somewhat longer period than prevailed last year.

Charge accounts outstanding were reduced by about the customary amount in July, but still exceeded the year-ago level by 15 per cent. Collections on charge accounts were 2 per cent less than in the preceding month, and the ratio of these collections to accounts outstanding on July 1 declined one point to 51 per cent. The average repayment period for charge accounts outstanding in July was approximately 59 days.

The volume of both cash and credit sales declined seasonally from June to July. Cash sales, accounting for 54 per cent of the total, were only slightly above the July 1947 volume. Instalment sales showed a year-to-year gain of 39 per cent, and charge-account sales, 11 per cent.

Department Store Sales, Accounts Receivable and Collections

Item	Percentage change from:		
	June 1948 to July 1948	July 1947 to July 1948	
Sales during month			
Cash	-18	+ 2	
Instalment	-10	+39	
Charge account	-25	+11	
Accounts receivable, end of month			
Instalment accounts	+ 2	+68	
Charge accounts	-13	+15	
Collections during month			
Instalment accounts	- 4	+36	
Charge accounts	- 2	+12	
Ratio of collections during month to accounts receivable at beginning of month			
	July 1948	June 1948	July 1947
Instalment accounts	23	24	28
Charge accounts	51	52	53

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

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DEPARTMENT STORES - JULY 1948

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes; 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	July 1948p	June 1948	July 1947	July 1948p	June 1948	July 1947	July 1948p	June 1948	July 1947
Boston	161	227	148	125	179	100	136	208	112
New York	159	223	160	144	182	103	127	195	118
Philadelphia	156	211	159	134	167	99	145	213	129
Cleveland	190	213	184	185	200	132	162	215	149
Richmond	173	219	164	112	108	81	149	214	132
Atlanta	242	257	230	259	219	148	186	207	159
Chicago	206	239	195	149	164	112	164	219	146
St. Louis	194	219	196	207	217	141	167	200	148
Minneapolis	209	252	208	187	192	136	162	223	154
Kansas City	251	282	250	208	209	147	181	217	153
Dallas	240	243	253	285	257	182	207	215	184
San Francisco	210	232	221	160	173	124	184	214	173
U. S. Total	187	228	184	160	178	115	159	211	143

Accounts Receivable and Collections, by Federal Reserve Districts

Federal Reserve District	Accounts outstanding, end of month Indexes; 1941 average = 100						Collection ratios*					
	Instalment			Charge accounts			Instalment			Charge accounts		
	July 1948p	June 1948	July 1947	July 1948p	June 1948	July 1947	July 1948p	June 1948	July 1947	July 1948p	June 1948	July 1947
Boston	95	104	74	160	186	142	21	23	22	45	49	45
New York	115	117	80	158	178	138	22	24	22	45	49	43
Philadelphia	147	151	78	176	205	145	19	20	25	49	53	53
Cleveland	172	153	103	176	213	153	23	24	24	49	50	54
Richmond	107	107	72	153	173	141	20	21	21	35	37	45
Atlanta	193	186	92	167	183	137	18	18	25	38	37	41
Chicago	169	109	65	165	195	152	32	34	41	62	62	61
St. Louis	153	152	77	186	209	156	23	25	33	54	53	56
Minneapolis	145	146	84	158	189	146	22	27	32	57	57	56
Kansas City	185	184	82	163	183	139	22	22	35	56	56	60
Dallas	243	236	94	181	199	139	17	17	29	53	52	61
San Francisco	137	136	91	172	191	147	29	30	40	64	62	65
U. S. Total	139	136	83	168	193	146	23	24	28	51	52	53

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

Federal Reserve Bank of St. Louis

http://fraser.stlouisfed.org/

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