

G.17.3

DEPARTMENT STORE CREDIT  
FEDERAL RESERVE BANK  
AUGUST 1948

October 5, 1948  
RESEARCH DEPARTMENT  
OCT 8 1948  
FEDERAL RESERVE BANK  
OF RICHMOND

Instalment accounts receivable increased 4 per cent in August, when little change is usual, and continued considerably above the year-ago level. Collections on instalment accounts showed a small increase, but the ratio of collections to instalment accounts outstanding on August 1 was unchanged at 23 per cent. The average collection period for instalment accounts outstanding in August was nearly eight months; a year ago it was about six months.

Charge accounts receivable declined slightly in August, but were well above the amount outstanding a year earlier. Collections on charge accounts were down substantially, as is customary in this month, and represented 51 per cent of accounts outstanding on the first of the month. These accounts continued to be liquidated, on the average, in about 59 days.

Cash sales of department stores rose 5 per cent in August, and remained near the year-ago level. This type of sale constituted 52 per cent of the total in August, a drop of two percentage points from July. Both instalment and charge-account sales showed about the customary expansion from July to August. Compared with last year's volume, instalment sales were 46 per cent larger, and charge-account sales, 13 per cent.

## Department Store Sales, Accounts Receivable and Collections

| Item   | Percentage change from: |                     |                     |
|--|-------------------------|---------------------|---------------------|
|  | July 1948               | Aug. 1947           |                     |
|  | to<br>Aug. 1948         | to<br>Aug. 1948     |                     |
| Sales during month   |                         |                     |                     |
| Cash   | + 5                     | + 1                 |                     |
| Instalment   | +21                     | +46                 |                     |
| Charge account   | +12                     | +13                 |                     |
| Accounts receivable, end of month  |                         |                     |                     |
| Instalment accounts  | + 4                     | +72                 |                     |
| Charge accounts  | - 1                     | +14                 |                     |
| Collections during month   |                         |                     |                     |
| Instalment accounts  | + 4                     | +43                 |                     |
| Charge accounts  | -13                     | +14                 |                     |
| Ratio of collections during month to accounts receivable at beginning of month |                         |                     |                     |
|  | Aug.<br><u>1948</u>     | July<br><u>1948</u> | Aug.<br><u>1947</u> |
| Instalment accounts  | 23                      | 23                  | 28                  |
| Charge accounts  | 51                      | 51                  | 51                  |

Note. -- Figures for August 1948 are preliminary and subject to revision.

DEPARTMENT STORES - AUGUST 1948

Cash and Credit Sales, by Federal Reserve Districts

| Federal Reserve District | Indexes; 1941 average = 100 |           |           |                  |           |           |                      |           |           |
|--------------------------|-----------------------------|-----------|-----------|------------------|-----------|-----------|----------------------|-----------|-----------|
|                          | Cash sales                  |           |           | Instalment sales |           |           | Charge-account sales |           |           |
|                          | Aug. 1948p                  | July 1948 | Aug. 1947 | Aug. 1948p       | July 1948 | Aug. 1947 | Aug. 1948p           | July 1948 | Aug. 1947 |
| Boston                   | 157                         | 160       | 157       | 168              | 127       | 125       | 136                  | 134       | 129       |
| New York                 | 164                         | 159       | 166       | 172              | 144       | 120       | 132                  | 127       | 120       |
| Philadelphia             | 168                         | 158       | 164       | 173              | 134       | 127       | 153                  | 143       | 130       |
| Cleveland                | 206                         | 190       | 196       | 233              | 185       | 151       | 184                  | 162       | 162       |
| Richmond                 | 174                         | 173       | 171       | 153              | 112       | 105       | 171                  | 149       | 152       |
| Atlanta                  | 266                         | 242       | 260       | 268              | 259       | 163       | 235                  | 186       | 200       |
| Chicago                  | 208                         | 206       | 201       | 166              | 149       | 119       | 179                  | 164       | 153       |
| St. Louis                | 219                         | 194       | 204       | 248              | 209       | 154       | 188                  | 167       | 165       |
| Minneapolis              | 244                         | 209       | 243       | 191              | 187       | 154       | 199                  | 162       | 174       |
| Kansas City              | 274                         | 251       | 281       | 252              | 208       | 176       | 208                  | 181       | 176       |
| Dallas                   | 252                         | 240       | 281       | 326              | 285       | 183       | 239                  | 207       | 222       |
| San Francisco            | 236                         | 210       | 252       | 202              | 160       | 142       | 217                  | 184       | 198       |
| U. S. Total              | 197                         | 187       | 195       | 193              | 160       | 132       | 177                  | 158       | 157       |

Accounts Receivable and Collections, by Federal Reserve Districts

| Federal Reserve District | Accounts outstanding, end of month<br>.....Indexes: 1941 average = 100..... |           |           |                 |           |           | Collection ratios* |           |                 |            |           |           |
|--------------------------|---|-----------|-----------|-----------------|-----------|-----------|--------------------|-----------|-----------------|------------|-----------|-----------|
|                          | Instalment  |           |           | Charge accounts |           |           | Instalment         |           | Charge accounts |            |           |           |
|                          | Aug. 1948p  | July 1948 | Aug. 1947 | Aug. 1948p      | July 1948 | Aug. 1947 | Aug. 1948p         | July 1948 | Aug. 1947       | Aug. 1948p | July 1948 | Aug. 1947 |
| Boston                   | 105   | 95        | 78        | 144             | 160       | 136       | 22                 | 21        | 22              | 46         | 45        | 44        |
| New York                 | 119   | 115       | 79        | 148             | 158       | 133       | 23                 | 22        | 23              | 45         | 45        | 41        |
| Philadelphia             | 148   | 147       | 81        | 166             | 176       | 138       | 21                 | 19        | 26              | 49         | 49        | 50        |
| Cleveland                | 178   | 172       | 106       | 177             | 176       | 154       | 22                 | 23        | 25              | 51         | 49        | 51        |
| Richmond                 | 108   | 107       | 72        | 145             | 153       | 138       | 20                 | 20        | 21              | 36         | 35        | 44        |
| Atlanta                  | 209   | 193       | 97        | 179             | 167       | 146       | 20                 | 18        | 26              | 37         | 38        | 40        |
| Chicago                  | 109   | 109       | 66        | 167             | 165       | 145       | 32                 | 32        | 41              | 60         | 62        | 57        |
| St. Louis                | 160   | 154       | 78        | 189             | 185       | 159       | 23                 | 23        | 33              | 51         | 51        | 55        |
| Minneapolis              | 150   | 145       | 88        | 163             | 158       | 152       | 26                 | 22        | 34              | 59         | 57        | 55        |
| Kansas City              | 191   | 185       | 90        | 166             | 163       | 139       | 22                 | 22        | 34              | 54         | 56        | 58        |
| Dallas                   | 256   | 243       | 100       | 190             | 181       | 150       | 17                 | 17        | 29              | 51         | 53        | 57        |
| San Francisco            | 146   | 137       | 83        | 178             | 172       | 155       | 30                 | 29        | 31              | 64         | 64        | 63        |
| U. S. Total              | 144   | 139       | 84        | 166             | 168       | 145       | 23                 | 23        | 28              | 51         | 51        | 51        |

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