

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17.3

March 8, 1949

DEPARTMENT STORE CREDIT

JANUARY 1949

Instalment accounts outstanding at department stores showed about the customary seasonal decline in January, but stood 28 per cent above the level of a year ago. The volume of collections on instalment accounts was unchanged, but the ratio of January collections to accounts outstanding on the first of the month dropped three points to 22 per cent. At this rate of repayment instalment accounts would be outstanding about eight months.

Charge accounts receivable were reduced by about the usual seasonal amount, and continued above last year's level. Collections on charge accounts showed the customarily substantial gain in January, and amounted to 52 per cent of accounts outstanding on the first of the month as compared with 53 per cent in December. The average repayment period for charge accounts outstanding in January was approximately 58 days.

Both cash and credit sales showed about the same sharp rates of decline in January as occurred in the corresponding month of 1948. Cash and instalment sales fell 4 per cent below the volume of a year earlier, but charge-account sales, on the other hand, were up 4 per cent.

Department Store Sales, Accounts Receivable and Collections

Item	Percentage change from:		
	Dec. 1948 to Jan. 1949	Jan. 1948 to Jan. 1949	
Sales during month			
Cash	-55	-4	
Instalment	-51	-4	
Charge account	-54	+4	
Accounts receivable, end of month			
Instalment accounts	-7	+28	
Charge accounts	-22	+7	
Collections during month			
Instalment accounts	0	+22	
Charge accounts	+24	+5	
Ratio of collections during month to accounts receivable at beginning of month			
	Jan. <u>1949</u>	Dec. <u>1948</u>	Jan. <u>1948</u>
Instalment accounts	22	25	24
Charge accounts	52	53	53

Note.--Figures for January 1949 are preliminary and subject to revision.

DEPARTMENT STORES - JANUARY 1949

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes; 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	Jan. 1949p	Dec. 1948	Jan. 1948	Jan. 1949p	Dec. 1948	Jan. 1948	Jan. 1949p	Dec. 1948	Jan. 1948
Boston	158	411	158	151	279	142	150	351	141
New York	171	374	180	143	328	137	152	330	148
Philadelphia	171	435	179	123	314	131	156	385	161
Cleveland	131	395	173	152	275	152	172	373	157
Richmond	154	405	164	108	232	102	152	355	150
Atlanta	237	535	235	152	342	172	191	418	178
Chicago	186	397	195	122	246	128	172	364	167
St. Louis	175	390	182	145	332	164	160	347	163
Minneapolis	214	453	226	171	235	173	207	389	199
Kansas City	205	513	246	131	250	176	177	383	181
Dallas	227	520	264	197	351	254	220	456	222
San Francisco	207	427	217	124	235	142	191	397	182
U. S. Total	181	407	189	136	281	142	171	370	164

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				Instalment		Charge accounts			
Jan. 1949p	Dec. 1948	Jan. 1948	Jan. 1949p	Dec. 1948	Jan. 1948	Jan. 1949p	Dec. 1948	Jan. 1948	Jan. 1949p	Dec. 1948	Jan. 1948	
Boston	156	175	131	202	262	260	19	22	13	45	49	45
New York	140	151	111	202	250	194	22	24	22	43	50	46
Philadelphia	177	194	139	245	343	220	19	21	21	53	43	55
Cleveland	169	209	144	224	292	215	20	22	21	52	53	52
Richmond	133	149	102	203	251	199	17	19	13	38	39	45
Atlanta	211	235	154	221	275	194	17	16	20	36	38	38
Chicago	124	132	104	212	283	196	38	41	37	60	63	62
St. Louis	176	196	120	250	314	232	21	24	28	51	53	52
Minneapolis	154	161	144	220	274	209	26	25	30	57	60	56
Kansas City	203	216	161	216	270	194	22	25	25	53	57	56
Dallas	231	273	182	223	235	205	19	21	21	57	61	53
San Francisco	166	171	127	233	233	209	27	29	29	59	63	61
U. S. Total	163	176	127	217	281	205	22	25	24	52	53	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 the Division of Research and Statistics.