

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17.3

November 4, 1949

DEPARTMENT STORE CREDIT

SEPTEMBER 1949

Instalment accounts receivable of department stores increased 6 per cent in September and continued well above year-ago levels. Collections on these accounts also rose moderately during the month and when related to September 1 outstanding balances yielded a collection ratio of 23 per cent, the same as in August.

Charge accounts outstanding were up substantially in September as is customary at this time of the year. Charge-account balances at the end of the month were still somewhat below those of a year earlier. Collections on charge accounts remained at the August level but the ratio to first-of-month accounts receivable rose one point to 53 per cent.

Department store sales showed more than the usual seasonal rise in September with substantial gains reported for both cash and credit transactions. Charge-account business, which customarily expands more rapidly than either cash or instalment sales in September, was 25 per cent larger than in August. Cash sales were up 16 per cent and instalment sales 14 per cent during the month. Only instalment sales exceeded the year-ago volume in September.

Department Store Sales, Accounts Receivable and Collections

Item	Percentage change from:		
	Aug. 1949	Sept. 1948 to Sept. 1949	Sept. 1948
Sales during month			
Cash	+16		- 9
Instalment	+14		+ 3
Charge account	+25		- 5
Accounts receivable, end of month			
Instalment accounts	+ 6		+ 9
Charge accounts	+13		- 3
Collections during month			
Instalment accounts	+ 2		+ 3
Charge accounts	0		- 2
Ratio of collections during month to accounts receivable at beginning of month:			
	Sept. 1949	Aug. 1949	Sept. 1948
Instalment accounts	23	23	24
Charge accounts	53	52	53

NOTE: Figures for September 1949 are preliminary and subject to revision.

DEPARTMENT STORES - SEPTEMBER 1949

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes; 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	Sept. 1949p	Aug. 1949	Sept. 1948	Sept. 1949p	Aug. 1949	Sept. 1948	Sept. 1949p	Aug. 1949	Sept. 1948
Boston	208	160	224	252	202	197	205	138	221
New York	198	153	215	225	177	213	186	127	195
Philadelphia	203	161	231	219	156	232	216	151	223
Cleveland	189	183	225	205	206	232	208	179	225
Richmond	203	165	223	169	153	172	227	167	241
Atlanta	249	235	280	312	301	300	266	217	278
Chicago	220	185	233	221	174	182	226	177	229
St. Louis	215	202	240	261	282	264	221	182	239
Minneapolis	263	223	276	244	204	227	258	203	250
Kansas City	277	256	303	248	231	243	237	196	238
Dallas	249	228	294	113	373	364	294	226	316
San Francisco	199	217	229	183	205	205	199	209	217
U. S. Total	210	181	231	223	195	216	217	173	228

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		
	Sept. 1949p	Aug. 1949	Sept. 1948	Sept. 1949p	Aug. 1949	Sept. 1948	Sept. 1949p	Aug. 1949	Sept. 1948	Sept. 1949p	Aug. 1949	Sept. 1948
Boston	146	134	115	160	137	172	18	18	20	51	49	51
New York	131	124	122	164	143	170	30	23	24	50	45	50
Philadelphia	164	156	158	200	171	196	19	19	22	48	48	50
Cleveland	184	179	186	186	166	198	20	20	21	50	51	51
Richmond	138	131	116	168	147	167	13	19	22	39	39	37
Atlanta	265	246	222	200	178	203	15	15	18	38	35	38
Chicago	132	119	114	187	158	193	39	40	40	64	63	61
St. Louis	191	180	170	214	194	218	20	21	23	50	52	52
Minneapolis	153	149	161	180	152	186	22	23	24	62	60	61
Kansas City	190	179	198	188	164	184	22	22	22	53	54	56
Dallas	295	270	275	195	167	204	17	18	18	57	58	57
San Francisco	173	164	152	177	177	187	23	25	28	66	65	63
U. S. Total	165	155	151	182	161	188	23	23	24	53	52	53

p - Preliminary.

* - Collections during month as percentage of accounts receivable at beginning of month. These data are in process of revision.

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.