

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17.3

December 8, 1949

DEPARTMENT STORE CREDIT

OCTOBER 1949

Instalment accounts receivable of department stores rose 7 per cent during October, the third consecutive month of increase. At the end of the month they were 13 per cent larger than on the corresponding date of 1948. Collections on accounts of this type in October kept pace with the mounting indebtedness; consequently, the collection ratio for October remained at the September level.

Charge accounts receivable, which expand seasonally at this time of the year, were 5 per cent larger on October 31 than a month earlier but 8 per cent below the amount outstanding on the corresponding date a year ago. Collections on charge accounts were 16 per cent higher than in September and, when related to accounts receivable on the first of the month, yielded a collection ratio one point above that for the preceding month.

Department store sales transacted on a cash or charge-account basis failed to show the usual seasonal increase in October and were well below the volume of a year earlier. Instalment sales, on the other hand, rose 9 per cent above the September total and, in comparison with the relatively low volume in October last year, were up 19 per cent.

Department Store Sales, Accounts Receivable, and Collections

Item	Percentage change from:		
	Sept. 1949 to Oct. 1949	Oct. 1948 to Oct. 1949	
Sales during month			
Cash	+ 2	-16	
Instalment	+ 9	+19	
Charge account	+ 2	-11	
Accounts receivable, end of month			
Instalment accounts	+ 7	+13	
Charge accounts	+ 5	- 8	
Collections during month			
Instalment accounts	+ 5	+ 3	
Charge accounts	+16	- 3	
Ratio of collections during month to accounts receivable at beginning of month*			
	Oct. <u>1949</u>	Sept. <u>1949</u>	Oct. <u>1948</u>
Instalment accounts	20	20	23
Charge accounts	53	52	54

* Revised.

Figures for October 1949 are preliminary and subject to revision.

DEPARTMENT STORES - OCTOBER 1949

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes: 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	Oct. 1949p	Sept. 1949	Oct. 1948	Oct. 1949p	Sept. 1949	Oct. 1948	Oct. 1949p	Sept. 1949	Oct. 1948
Boston	204	208	231	269	252	204	208	205	238
New York	205	198	244	247	225	223	189	186	220
Philadelphia	209	203	261	240	219	224	236	216	268
Cleveland	195	189	254	234	205	211	203	208	254
Richmond	203	203	246	199	169	173	227	227	256
Atlanta	274	249	323	353	312	224	263	266	302
Chicago	213	220	259	216	221	179	216	226	242
St. Louis	227	215	259	296	261	239	228	221	248
Minneapolis	279	263	306	337	244	239	299	258	301
Kansas City	232	277	335	266	248	230	244	237	266
Dallas	273	249	312	412	424	258	295	293	310
San Francisco	216	199	244	205	184	169	221	199	230
U. S. Total	215	210	256	243	223	204	221	217	249

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		
	Oct. 1949p	Sept. 1949	Oct. 1948	Oct. 1949p	Sept. 1949	Oct. 1948	Oct. 1949p	Sept. 1949	Oct. 1948	Oct. 1949p	Sept. 1949	Oct. 1948
Boston	158	146	113	175	152	125	18	19	20	47	50	48
New York	138	131	130	166	164	189	13	13	20	45	46	46
Philadelphia	176	154	164	221	200	231	19	19	21	51	48	54
Cleveland	191	184	189	191	186	218	18	18	20	52	50	53
Richmond	146	138	123	177	168	194	20	20	23	45	43	45
Atlanta	277	265	229	206	200	218	15	15	18	44	45	47
Chicago	144	132	115	190	137	207	23	25	29	61	60	54
St. Louis	205	191	173	229	214	237	21	20	23	54	50	55
Minneapolis	184	153	158	205	180	210	25	22	26	59	59	64
Kansas City	209	190	204	204	188	200	23	23	23	58	55	62
Dallas	315	295	269	208	197	218	16	16	18	52	50	53
San Francisco	154	173	156	186	177	193	21	21	24	56	54	55
U. S. Total	175	165	155	190	182	206	20	20	23	53	52	54

p - Preliminary.

* - Collections during month as percentage of accounts receivable at beginning of month. These data have been revised for recent months.

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 Research and Statistics.