

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17:3

June 9, 1950

DEPARTMENT STORE CREDIT

APRIL 1950

Instalment accounts outstanding at department stores increased slightly in April and at the month-end were 39 per cent above those on the corresponding date of 1949. Collections on instalment accounts were 10 per cent below those in March and, when related to first-of-month accounts receivable, yielded a ratio of 17 per cent, 2 points less than for the preceding month. At the prevailing rate of repayment, instalment accounts outstanding in April would be liquidated in about ten and one-half months, nearly three months longer than the average in the corresponding month of 1949.

Charge accounts receivable at the end of April were 3 per cent above those on March 31, but continued near the level of the preceding year. Collections on charge accounts were 9 per cent smaller than in March and in about the same volume as in April 1949. The collection ratio for the month this year amounted to 50 per cent as compared with 53 per cent for both the preceding month and for the corresponding month of last year. Indebtedness of this type in April was being collected, on the average, in approximately 60 days.

The volume of instalment sales declined 6 per cent in April. This decrease was offset by a slight rise in both cash and charge-account sales. Compared with the year-ago volume, cash and charge-account sales in April showed declines of 13 per cent and 8 per cent, respectively, while instalment sales continued well above the 1949 level.

Department Store Sales, Accounts Receivable, and Collections

Item	Percentage change from:		
	Mar. 1950	Apr. 1949	
	to Apr. 1950	to Apr. 1950	
Sales during month			
Cash	+ 1	-13	
Instalment	- 6	+14	
Charge account	+ 1	- 8	
Accounts receivable, end of month			
Instalment accounts	+ 1	+39	
Charge accounts	+ 3	0	
Collections during month			
Instalment accounts	-10	+15	
Charge accounts	- 9	0	
Ratio of collections during month to accounts receivable at beginning of month:			
	Apr. 1950	Mar. 1950	Apr. 1949
Instalment accounts	17	19	23
Charge accounts	50	53	53

1949-50 figures for April 1950 are preliminary and subject to revision.

DEPARTMENT STORES - APRIL 1950

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes: 1941 average = 100								
	Cash sales			Installment sales			Charge-account sales		
	Apr. 1950	Mar. 1950	Apr. 1949	Apr. 1950	Mar. 1950	Apr. 1949	Apr. 1950	Mar. 1950	Apr. 1949
Boston	210	194	216	254	265	204	198	186	226
New York	130	185	207	194	210	189	174	171	169
Philadelphia	196	211	225	205	214	201	214	215	229
Cleveland	192	186	231	250	253	208	207	202	231
Richmond	214	187	212	243	212	149	206	201	212
Atlanta	271	265	293	301	315	268	251	212	268
Chicago	205	200	232	198	201	170	197	202	216
St. Louis	195	200	229	260	220	236	205	199	214
Minneapolis	239	228	273	258	210	223	216	232	255
Kansas City	252	254	291	211	236	202	219	226	231
Dallas	285	257	292	418	494	259	255	262	265
San Francisco	197	199	225	153	162	136	205	209	221
U. S. Total	201	199	231	215	230	189	205	203	222

Accounts Receivable and Collections, by Federal Reserve Districts

Federal Reserve District	Accounts outstanding, end of month						Collection ratios*					
	Indexes: 1941 average = 100						Installment			Charge-account		
	Apr. 1950	Mar. 1950	Apr. 1949	Apr. 1950	Mar. 1950	Apr. 1949	Apr. 1950	Mar. 1950	Apr. 1949	Apr. 1950	Mar. 1950	Apr. 1949
Boston	212	207	137	180	169	173	16	18	20	46	51	49
New York	156	159	133	175	170	173	16	18	17	43	48	44
Philadelphia	211	111	165	216	214	217	17	19	20	50	51	52
Cleveland	234	223	182	193	185	200	17	19	21	51	52	53
Richmond	165	164	189	179	174	176	17	18	21	42	45	44
Atlanta	359	351	223	403	200	198	14	15	19	42	45	46
Chicago	174	172	110	134	131	132	20	23	29	57	62	63
St. Louis	251	215	147	219	220	224	18	19	26	49	52	52
Minneapolis	191	192	144	192	175	191	20	22	26	55	55	58
Kansas City	239	235	166	202	196	194	19	22	25	53	53	58
Dallas	415	395	228	199	196	199	14	15	20	50	54	51
San Francisco	215	215	150	188	188	185	18	19	24	52	54	55
U. S. Total	212	209	152	190	185	190	17	19	23	50	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 175 large department stores reporting sales by type of transaction, more than 400 having charge accounts and about 300 having installment accounts. Back figures may be obtained on request from