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September 6, 1950

DEPARTMENT STORE CREDIT - JULY 1950

Instalment accounts receivable at department stores increased further in July but at a faster rate than in the preceding four months. At the end of the month this type of indebtedness reached an all-time high, 53 per cent above the amount outstanding on July 31 last year. Collections on instalment accounts continued in about the same volume as in June and the ratio of collections to accounts receivable on the first of the month remained at 17 per cent. At the prevailing rate of repayment, instalment accounts would be outstanding considerably longer than a year earlier.

Charge accounts outstanding at the end of July were 5 per cent below the level of a month earlier but were 13 per cent larger than on the corresponding date of 1949. Collections on charge accounts decreased 5 per cent from June to July and the collection ratio dropped from 51 per cent to 49 per cent. The average collection period for charge accounts outstanding in July was about 56 days, nearly 6 days longer than in that month last year.

Both cash and charge-account sales showed less than the customary seasonal decline in July. Instalment sales, however, rose contra-seasonally during the month, exceeding the June figure by 23 per cent. The activity during the month, which stemmed in part from increased purchasing of durable goods following the Korean outbreak, brought sales of all types well above year-earlier levels. The year-to-year gain was particularly marked in the instalment segment -- 74 per cent.

Department Store Sales, Accounts Receivable, and Collections

Item	Percentage change from:		
	June 1950 to July 1950	July 1949 to July 1950	
Sales during month			
Cash	-13	+10	
Instalment	+23	+74	
Charge account	-13	+29	
Accounts receivable, end of month			
Instalment accounts	+ 5	+53	
Charge accounts	- 5	+13	
Collections during month			
Instalment accounts	0	+28	
Charge accounts	- 5	+ 7	
Ratio of collections during month to accounts receivable at beginning of month:			
	July	June	July
	1950	1950	1949
Instalment accounts	17	17	17
Charge accounts	49	51	49

NOTE.--Figures for July 1950 are preliminary and subject to revision.

DEPARTMENT STORES -- JULY 1950

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes; 1941 average = 100								
	Cash sales			Installment sales			Charge-account sales		
	July 1950p	June 1950	July 1949	July 1950p	June 1950	July 1949	July 1950p	June 1950	July 1949
Boston	140	202	134	266	204	131	133	204	115
New York	141	185	130	191	221	129	137	177	103
Philadelphia	151	196	137	185	174	120	161	233	128
Cleveland	170	188	159	281	223	154	186	211	145
Richmond	189	202	187	184	123	126	171	218	145
Atlanta	225	232	204	442	332	281	208	210	167
Chicago	183	202	166	245	198	135	183	215	143
St. Louis	187	186	168	301	247	176	195	184	151
Minneapolis	205	233	184	338	194	176	198	243	146
Kansas City	251	250	218	426	274	262	231	220	163
Dallas	230	228	201	695	421	356	238	224	176
San Francisco	206	196	177	257	184	130	236	206	172
U. S. Total	173	199	157	256	208	147	182	208	141

Accounts Receivable and Collections, by Federal Reserve Districts

Federal Reserve District	Accounts outstanding, end of month						Collection ratios*					
	Indexes; 1941 average = 100						Collection ratios*					
	Installment			Charge-account			Installment			Charge-account		
July 1950p	June 1950	July 1949	July 1950p	June 1950	July 1949	July 1950p	June 1950	July 1949	July 1950p	June 1950	July 1949	
Boston	211	208	129	108	185	151	14	15	17	43	49	43
New York	172	172	125	152	184	150	15	16	16	43	49	40
Philadelphia	203	207	156	201	223	181	15	16	17	47	52	45
Cleveland	249	239	176	190	201	169	17	17	17	50	52	50
Richmond	169	165	130	160	183	157	17	16	20	42	43	40
Atlanta	399	376	236	192	206	170	13	13	16	40	38	42
Chicago	150	160	113	182	196	158	20	20	25	57	59	57
St. Louis	273	280	172	221	226	196	18	17	21	50	49	49
Minneapolis	204	168	143	162	195	157	20	18	17	52	53	52
Kansas City	289	250	173	216	211	163	19	18	23	53	52	55
Dallas	517	465	253	195	192	163	12	12	18	49	50	49
San Francisco	245	221	152	200	191	164	16	17	21	51	52	54
U. S. Total	230	219	151	184	194	163	17	17	19	49	51	49

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 installment accounts. Back figures may be obtained on request from the Division of Research and Statistics.