

G.17.3

October 6, 1950

## DEPARTMENT STORE CREDIT - AUGUST 1950

Instalment accounts outstanding at department stores rose further during August, exceeding by 6 per cent the all-time high recorded at the end of the preceding month. The amount outstanding on August 31 was 56 per cent above that of a year earlier. Collections on instalment accounts also increased during the month and were about one-third larger than in August 1949. The collection ratio based on the first-of-month accounts receivable amounted to 18 per cent, one point higher than in July but 3 points below the corresponding 1949 figure. At the prevailing rate of repayment these accounts would be liquidated in approximately 10 months, one month longer than in the corresponding period last year.

Charge accounts receivable at the end of August were 4 per cent larger than in July and 19 per cent above those of a year earlier. Collections on charge accounts which customarily decline in August were down slightly. The ratio of collections during the month to accounts receivable on August 1 was 51 per cent, 2 points higher than in July.

Department store sales of all types showed substantial gains in August as is customary at that time of the year. In comparison with the volume of a year earlier, however, cash sales were up only 8 per cent while charge-account and instalment transactions increased by 22 per cent and 44 per cent, respectively.

## Department Store Sales, Accounts Receivable, and Collections

| Item  | Percentage change from:      |                              |              |
|---|------------------------------|------------------------------|--------------|
|   | July 1950<br>to<br>Aug. 1950 | Aug. 1949<br>to<br>Aug. 1950 |              |
| Sales during month  |                              |                              |              |
| Cash  | +13                          | + 8                          |              |
| Instalment  | +12                          | +48                          |              |
| Charge account  | +16                          | +22                          |              |
| Accounts receivable, end of month   |                              |                              |              |
| Instalment accounts   | + 6                          | +56                          |              |
| Charge accounts   | + 4                          | +19                          |              |
| Collections during month  |                              |                              |              |
| Instalment accounts   | + 9                          | +34                          |              |
| Charge accounts   | - 1                          | +16                          |              |
| Ratio of collections during month to accounts receivable at beginning of month: |                              |                              |              |
|   | Aug.<br>1950                 | July<br>1950                 | Aug.<br>1949 |
| Instalment accounts   | 18                           | 17                           | 21           |
| Charge accounts   | 51                           | 49                           | 51           |

NOTE.—Figures for August 1950 are preliminary and subject to revision.

## DEPARTMENT STORES - AUGUST 1950

## Cash and Credit Sales, by Federal Reserve Districts

| Federal Reserve District | Indexes; 1941 average = 100 |           |           |                  |           |           |                      |           |           |
|--------------------------|-----------------------------|-----------|-----------|------------------|-----------|-----------|----------------------|-----------|-----------|
|                          | Cash sales                  |           |           | Instalment sales |           |           | Charge-account sales |           |           |
|                          | Aug. 1950p                  | July 1950 | Aug. 1949 | Aug. 1950p       | July 1950 | Aug. 1949 | Aug. 1950p           | July 1950 | Aug. 1949 |
| Boston                   | 166                         | 140       | 160       | 320              | 266       | 202       | 159                  | 133       | 138       |
| New York                 | 165                         | 141       | 153       | 240              | 191       | 177       | 158                  | 137       | 127       |
| Philadelphia             | 168                         | 151       | 159       | 241              | 185       | 157       | 168                  | 161       | 150       |
| Cleveland                | 197                         | 176       | 183       | 348              | 261       | 206       | 217                  | 186       | 179       |
| Richmond                 | 175                         | 169       | 165       | 203              | 184       | 153       | 201                  | 171       | 167       |
| Atlanta                  | 257                         | 225       | 232       | 357              | 442       | 301       | 252                  | 208       | 218       |
| Chicago                  | 208                         | 183       | 188       | 274              | 245       | 171       | 224                  | 163       | 177       |
| St. Louis                | 212                         | 197       | 202       | 364              | 302       | 282       | 213                  | 195       | 182       |
| Minneapolis              | 252                         | 205       | 228       | 395              | 338       | 238       | 273                  | 198       | 203       |
| Kansas City              | 284                         | 251       | 256       | 335              | 422       | 231       | 240                  | 229       | 196       |
| Dallas                   | 253                         | 230       | 228       | 594              | 695       | 411       | 275                  | 238       | 221       |
| San Francisco            | 227                         | 205       | 217       | 255              | 263       | 188       | 246                  | 236       | 212       |
| U. S. Total              | 196                         | 173       | 181       | 287              | 257       | 194       | 210                  | 182       | 173       |

## Accounts Receivable and Collections, by Federal Reserve Districts

| Federal Reserve District | Accounts outstanding, end of month |           |           |            |           |           | Collection ratios* |           |                |            |           |           |
|--------------------------|------------------------------------|-----------|-----------|------------|-----------|-----------|--------------------|-----------|----------------|------------|-----------|-----------|
|                          | Indexes; 1941 average = 100        |           |           |            |           |           | Instalment         |           | Charge-account |            |           |           |
|                          | Aug. 1950p                         | July 1950 | Aug. 1949 | Aug. 1950p | July 1950 | Aug. 1949 | Aug. 1950p         | July 1950 | Aug. 1949      | Aug. 1950p | July 1950 | Aug. 1949 |
| Boston                   | 225                                | 215       | 134       | 162        | 168       | 137       | 16                 | 14        | 19             | 46         | 43        | 48        |
| New York                 | 175                                | 172       | 124       | 152        | 152       | 143       | 16                 | 15        | 17             | 44         | 43        | 41        |
| Philadelphia             | 215                                | 208       | 156       | 200        | 201       | 171       | 17                 | 15        | 19             | 49         | 47        | 48        |
| Cleveland                | 265                                | 249       | 179       | 198        | 190       | 166       | 17                 | 17        | 19             | 51         | 50        | 51        |
| Richmond                 | 176                                | 169       | 131       | 171        | 166       | 147       | 18                 | 17        | 20             | 44         | 42        | 43        |
| Atlanta                  | 411                                | 399       | 246       | 199        | 192       | 178       | 14                 | 13        | 16             | 42         | 40        | 42        |
| Chicago                  | 204                                | 190       | 119       | 156        | 182       | 158       | 21                 | 20        | 25             | 59         | 57        | 60        |
| St. Louis                | 267                                | 273       | 180       | 227        | 221       | 194       | 19                 | 18        | 21             | 49         | 50        | 52        |
| Minneapolis              | 222                                | 203       | 149       | 197        | 182       | 152       | 20                 | 20        | 23             | 55         | 52        | 56        |
| Kansas City              | 306                                | 289       | 179       | 223        | 210       | 164       | 17                 | 19        | 23             | 55         | 53        | 56        |
| Dallas                   | 548                                | 519       | 270       | 203        | 193       | 167       | 12                 | 12        | 18             | 51         | 49        | 51        |
| San Francisco            | 267                                | 245       | 164       | 224        | 201       | 177       | 20                 | 19        | 23             | 55         | 51        | 54        |
| U. S. Total              | 243                                | 230       | 155       | 192        | 184       | 161       | 18                 | 17        | 21             | 51         | 49        | 51        |

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.