

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17.3

April 5, 1951

DEPARTMENT STORE CREDIT - FEBRUARY 1951

Instalment accounts outstanding at department stores showed a small decrease in February but at the end of the month were 27 per cent higher than a year earlier. Collections on instalment accounts were down 8 per cent during the month and the ratio of collections to accounts receivable on the first of the month dropped to 17 per cent, 2 points below that for January. At the current rate of repayment these accounts would be liquidated in about 11 months, the same as in the corresponding month of 1950.

Charge-accounts receivable declined seasonally in February but were one-fourth above the year-ago level. The decline of more than one-fifth in February collections on charge accounts was reflected in the lower collection ratio of 46 per cent - 4 points below the ratio of the preceding month. The average repayment period for charge accounts outstanding in February was 65 days, about the same as the previous year.

All types of sales showed more than the usual February declines but continued at higher levels than a year earlier. Charge-account sales were down almost one-fifth from the preceding month while instalment and cash sales declined 9 per cent and 14 per cent, respectively. The year-to-year gain for charge-account sales was 22 per cent and for instalment sales, 14 per cent. Cash sales were 10 per cent above the previous February.

Department Store Sales, Accounts Receivable, and Collections

Item	Percentage change from:		
	Jan. 1951 to Feb. 1951	Feb. 1950 to Feb. 1951	
Sales during month			
Cash	-14	+10	
Instalment	- 9	+14	
Charge accounts	-18	+22	
Accounts receivable, end of month			
Instalment accounts	- 2	+27	
Charge accounts	-11	+25	
Collections during month			
Instalment accounts	- 8	+31	
Charge accounts	-21	+16	
Ratio of collections during month to accounts receivable at beginning of month:			
	Feb. <u>1951</u>	Jan. <u>1951</u>	Feb. <u>1950</u>
Instalment accounts	17	19	17
Charge accounts	46	50	47

NOTE: Figures for February 1951 are preliminary and subject to revision.

DEPARTMENT STORES - FEBRUARY 1951

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes; 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	Feb. 1951p	Jan. 1951	Feb. 1950	Feb. 1951p	Jan. 1951	Feb. 1950	Feb. 1951p	Jan. 1951	Feb. 1950
Boston	134	176	135	225	310	213	112	210	130
New York	158	186	138	201	209	169	119	196	121
Philadelphia	161	186	119	172	184	184	191	220	156
Cleveland	182	193	113	276	289	221	186	236	116
Richmond	151	171	144	145	155	139	201	206	165
Atlanta	221	230	213	222	244	254	213	229	165
Chicago	171	157	153	192	199	159	200	233	154
St. Louis	167	199	161	224	280	218	161	211	161
Minneapolis	193	216	195	100	116	222	213	204	202
Kansas City	219	261	200	219	236	195	213	251	179
Dallas	214	245	213	286	391	350	249	287	213
San Francisco	169	205	165	196	235	153	197	250	165
U. S. Total	167	195	152	211	233	185	187	228	151

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		
	Feb. 1951p	Jan. 1951	Feb. 1950	Feb. 1951p	Jan. 1951	Feb. 1950	Feb. 1951p	Jan. 1951	Feb. 1950	Feb. 1951p	Jan. 1951	Feb. 1950
Boston	238	249	203	219	258	175	15	17	16	43	46	44
New York	206	211	161	200	227	176	15	16	14	41	47	41
Philadelphia	236	243	210	262	304	210	15	17	16	46	50	48
Cleveland	229	301	224	212	273	188	17	18	17	46	49	46
Richmond	190	200	164	236	258	176	15	18	17	42	41	42
Atlanta	103	418	344	235	260	204	14	14	14	40	44	22
Chicago	217	222	171	235	269	179	20	22	20	52	57	51
St. Louis	225	301	246	292	319	236	18	19	18	47	50	46
Minneapolis	226	247	187	228	244	191	20	22	21	54	52	49
Kansas City	356	365	238	245	287	198	18	21	20	50	51	52
Dallas	179	537	374	230	276	198	11	14	14	49	49	48
San Francisco	314	291	218	264	289	201	20	20	13	47	49	47
U. S. Total	264	269	207	236	269	191	17	19	17	46	50	47

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 100 having charge accounts and about 300 having instalment accounts. Back figures may be obtained on request from the Division of Research and Statistics.