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June 7, 1951

DEPARTMENT STORE CREDIT - APRIL 1951

Instalment accounts receivable at department stores continued to decline during April and at the month-end were 4 per cent below the level of March 31. This downward movement contrasts with the upturn in department store instalment accounts receivable which is usually experienced at this time of year. At the month-end, however, these accounts were 15 per cent above the level of April 30, 1950, although this year-to-year increase was substantially less than the average year-to-year increases shown since 1946. Collections on instalment accounts showed the usual downturn in April, and when related to first-of-month receivables, yielded a collection ratio of 18 per cent, 1 point below the March ratio. At the April rate of repayment, instalment accounts outstanding would be liquidated in about 10 months, slightly less than the average repayment period prevailing in April 1950.

Charge accounts receivable declined 4 per cent in April, whereas small month-to-month increases have been the rule in April of recent years. Charge accounts outstanding at the end of April were, however, 15 per cent above the year-ago level. The 9 per cent drop in charge-account collections was reflected in a decline in the collection ratio from 50 per cent in March to 47 per cent in April. The result was a lengthening of the average repayment period to about 63 days, somewhat longer than that prevailing both a month ago and a year ago.

Instalment sales accounted for a slightly smaller proportion of total department store sales in April than in March as is shown by the decline of 15 per cent which compares with declines of 9 per cent for both cash and charge sales. Instalment sales were 8 per cent below those of April 1950, while cash sales were 5 per cent below the year-ago level. Charge-account sales, in contrast, showed a slight increase over the previous April.

Department Store Sales, Accounts Receivable, and Collections

Item	Percentage change from:	
	Mar. 1951	Apr. 1950
	to Apr. 1951	to Apr. 1951
Sales during month		
Cash	- 9	- 5
Instalment	-15	- 8
Charge accounts	- 9	+ 1
Accounts receivable, end of month		
Instalment account	- 4	+15
Charge accounts	- 4	+15
Collections during month		
Instalment accounts	-10	+27
Charge accounts	- 9	+16

Ratio of collections during month to accounts receivable at beginning of month:

	Apr. 1951	Mar. 1951	Apr. 1950
Instalment accounts	18	19	17
Charge accounts	47	50	50

DEPARTMENT STORES - APRIL 1951

Cash and Credit Sales, by Federal Reserve Districts

Federal Reserve District	Indexes: 1941 average = 100								
	Cash sales			Instalment sales			Charge-account sales		
	Apr. 1951p	Mar. 1951	Apr. 1950	Apr. 1951p	Mar. 1951	Apr. 1950	Apr. 1951p	Mar. 1951	Apr. 1950
Boston	180	191	210	193	235	254	184	188	196
New York	177	194	150	201	221	192	175	191	172
Philadelphia	183	222	199	163	219	201	213	244	212
Cleveland	159	202	192	246	265	250	217	226	207
Richmond	199	207	214	145	245	163	201	228	206
Atlanta	245	301	285	257	273	301	227	287	246
Chicago	194	211	205	185	205	198	210	236	197
St. Louis	182	204	195	221	260	258	199	215	204
Minneapolis	307	224	239	204	388	220	239	232	246
Kansas City	247	278	252	230	256	239	228	264	219
Dallas	252	289	265	315	334	458	269	308	255
San Francisco	174	203	195	169	206	167	201	232	202
U. S. Total	191	210	201	199	234	215	200	228	204

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		
	Apr. 1951p	Mar. 1951	Apr. 1950	Apr. 1951p	Mar. 1951	Apr. 1950	Apr. 1951p	Mar. 1951	Apr. 1950	Apr. 1951p	Mar. 1951	Apr. 1950
Boston	218	231	212	208	207	180	17	18	16	44	50	46
New York	197	201	158	181	188	175	16	18	16	41	50	43
Philadelphia	223	232	211	257	271	216	17	18	17	46	46	50
Cleveland	240	293	234	224	230	193	18	19	17	48	50	51
Richmond	180	185	165	228	234	179	16	17	17	39	43	42
Atlanta	379	394	359	230	242	205	15	16	14	39	44	42
Chicago	201	209	174	215	228	184	21	23	20	53	57	57
St. Louis	271	285	251	251	263	219	18	19	18	49	48	49
Minneapolis	221	233	192	212	211	192	21	22	20	51	53	55
Kansas City	338	348	239	231	237	202	19	21	20	50	53	53
Dallas	468	490	415	234	240	199	15	15	14	47	51	50
San Francisco	352	278	214	220	232	189	18	20	18	48	51	52
U. S. Total	244	255	212	219	227	190	18	19	17	47	50	50

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.