

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17

December 7, 1954

DEPARTMENT STORE CREDIT - OCTOBER 1954

Instalment accounts outstanding at department stores increased 3 per cent during October, and at the end of the month were 4 per cent above a year earlier. The instalment collection ratio, estimated at 14 per cent, was 1 point above September and the same as October last year.

An increase in charge accounts, largely seasonal in nature, brought balances outstanding at the end of October to a level 6 per cent above a month ago and 2 per cent above a year ago. Collections on charge accounts amounted to 47 per cent of first-of-month balances outstanding, 1 point above September but 1 point below a year ago.

Sales of all types increased during the month -- cash sales by 8 per cent, charge-account sales by 7 per cent, and instalment sales by 16 per cent. Compared with a year ago, cash and charge-account sales were down 4 per cent and 1 per cent, respectively, while instalment sales were up 4 per cent.

Changes in Department Store Sales and Accounts Receivable

Item	Percentage change from:	
	Sept. 1954	Oct. 1953
	to Oct. 1954	to Oct. 1954
Sales during month: Total	+ 9	- 2
Cash	+ 8	- 4
Charge	+ 7	- 1
Instalment	+16	+ 4
Accounts receivable, end of month: Charge	+ 6	+ 2
Instalment	+ 3	+ 4

Collection Ratios and Percentage Distribution of Sales

Item	October 1954	September 1954	October 1953
Collection ratios <u>1</u> /: Charge accounts	47	46	48
Instalment accounts	14	13	14
Percentage distribution of sales: Cash	44	45	46
Charge	44	44	43
Instalment	12	11	11

1/ Collections during month as a percentage of accounts receivable at beginning of month.

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Sales by type
(Percentage changes)

Federal Reserve District	Total sales		Cash sales		Charge-account sales		Instalment sales	
	Sept.'54 to Oct.'54	Oct.'53 to Oct.'54	Sept.'54 to Oct.'54	Oct.'53 to Oct.'54	Sept.'54 to Oct.'54	Oct.'53 to Oct.'54	Sept.'54 to Oct.'54	Oct.'53 to Oct.'54
	Boston	+ 1	- 1	- 2	- 4	- 1	0	+16
New York	+ 3	- 4	+ 3	- 7	+ 2	- 2	+14	+ 3
Philadelphia	+ 1	- 3	+ 4	- 6	+ 3	- 3	+ 6	+ 8
Cleveland	+ 9	- 9	+ 9	-12	+ 7	- 9	+18	- 5
Richmond	+14	+ 1	+17	- 1	+10	+ 3	+21	+ 3
Atlanta	+17	+ 4	+18	- 1	+16	+ 9	+14	+ 5
Chicago	+ 7	- 3	+ 9	- 4	+ 4	- 1	+ 8	0
St. Louis	+17	+ 1	+12	- 2	+15	+ 4	+21	+ 4
Minneapolis	+20	0	+12	0	+20	- 2	+53	+ 4
Kansas City	+11	+ 1	+12	- 1	+ 9	+ 2	+16	+10
Dallas	+17	+ 1	+25	- 1	+11	0	+24	+18
San Francisco	+ 8	0	+ 8	- 3	+10	+ 2	+16	+ 7
U. S. Total	+ 9	- 2	+ 8	- 4	+ 7	- 1	+16	+ 4

Accounts receivable, end of month
(Percentage changes)

Federal Reserve District	Charge accounts		Instalment	
	Sept.'54 to Oct.'54	Oct.'53 to Oct.'54	Sept.'54 to Oct.'54	Oct.'53 to Oct.'54
	Boston	+ 8	+ 5	+ 5
New York	+ 7	+ 6	+ 3	+ 7
Philadelphia	+ 7	+ 1	+ 4	+ 9
Cleveland	+ 3	- 2	+ 2	- 6
Richmond	+ 8	0	+ 2	- 4
Atlanta	+ 6	+ 6	+ 4	+10
Chicago	+ 3	0	+ 4	+ 7
St. Louis	+13	+ 7	+ 3	+13
Minneapolis	+11	+ 2	+12	+22
Kansas City	+ 4	0	+ 4	+ 8
Dallas	+10	+ 1	+ 3	+ 6
San Francisco	+ 3	+ 4	+ 3	+12
U. S. Total	+ 6	+ 2	+ 3	+ 4