

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17

March 7, 1956.

DEPARTMENT STORE CREDIT - JANUARY 1956

Instalment accounts outstanding at department stores declined 1 per cent during January, when some decrease usually occurs. Balances continued about 20 per cent above a year ago. The instalment collection ratio, estimated at 14 per cent, was 1 point below a month ago and the same as January of last year.

Charge accounts declined seasonally during January, and at the month end were 18 per cent below the December level. Balances, however, were 9 per cent above a year ago. Collections on charge accounts amounted to an estimated 43 per cent of first-of-month receivables, 3 points below a month ago and 1 point below a year earlier.

Sales of all types showed their usual December-to-January decline. Compared with January of last year, however, cash and instalment sales were up 1 per cent and 15 per cent, respectively, while charge-account sales were about the same.

Changes in Department Store Sales and Accounts Receivable

| Item | Percentage change from: | |
|---|------------------------------|------------------------------|
| | Dec. 1955 to Jan. 1956 | Jan. 1955 to Jan. 1956 |
| Sales during month: Total | -56 | + 2 |
| Cash | -58 | + 1 |
| Charge | -57 | 0 |
| Instalment | -47 | +15 |
| Accounts receivable, end of month: Charge | -18 | + 9 |
| Instalment | - 1 | +20 |

Collection Ratios and Percentage Distribution of Sales

| Item | Jan. 1956 | Dec. 1955 | Jan. 1955 |
|---|--------------|--------------|--------------|
| Collection ratios ¹ / _: : Charge accounts | 43 | 46 | 44 |
| Instalment accounts | 14 | 15 | 14 |
| Percentage distribution of sales: Cash | 45 | 46 | 45 |
| Charge | 42 | 43 | 43 |
| Instalment | 13 | 11 | 12 |

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

DEPARTMENT STORE CREDIT - JANUARY 1956

Sales by type
(Percentage changes)

| Federal Reserve District | Total sales | | Cash sales | | Charge-account sales | | Instalment sales | |
|--------------------------|-------------|----------|------------|----------|----------------------|----------|------------------|----------|
| | Dec. '55 | Jan. '56 | Dec. '55 | Jan. '56 | Dec. '55 | Jan. '56 | Dec. '55 | Jan. '56 |
| | to | to | to | to | to | to | to | to |
| Boston | -58 | - 2 | -62 | - 3 | -59 | - 6 | -41 | + 6 |
| New York | -57 | + 4 | -57 | + 2 | -58 | + 5 | -51 | +13 |
| Philadelphia | -61 | + 4 | -64 | + 6 | -60 | - 1 | -49 | +14 |
| Cleveland | -57 | + 6 | -60 | + 4 | -58 | + 3 | -48 | +26 |
| Richmond | -64 | + 1 | -68 | - 1 | -65 | - 1 | -47 | +11 |
| Atlanta | -61 | + 2 | -64 | 0 | -58 | + 2 | -60 | +10 |
| Chicago | -57 | + 3 | -59 | + 2 | -58 | + 2 | -38 | +10 |
| St. Louis | -57 | + 2 | -59 | + 1 | -59 | + 1 | -44 | + 6 |
| Minneapolis | -54 | + 6 | -59 | 0 | -53 | +10 | -39 | +10 |
| Kansas City | -58 | - 1 | -61 | - 4 | -58 | 0 | -30 | + 9 |
| Dallas | -55 | + 2 | -59 | + 2 | -57 | 0 | -37 | +10 |
| San Francisco | -59 | - 3 | -61 | - 4 | -62 | -14 | -43 | +27 |
| U. S. Total | -56 | + 2 | -58 | + 1 | -57 | 0 | -47 | +15 |

Accounts receivable, end of month
(Percentage changes)

| Federal Reserve District | Charge accounts | | Instalment | |
|--------------------------|-----------------|----------|------------|----------|
| | Dec. '55 | Jan. '56 | Dec. '55 | Jan. '56 |
| | to | to | to | to |
| Boston | -19 | 0 | 0 | +15 |
| New York | -19 | +10 | - 1 | +17 |
| Philadelphia | -18 | +10 | 0 | +26 |
| Cleveland | -20 | + 6 | - 4 | +26 |
| Richmond | -21 | + 6 | - 1 | +23 |
| Atlanta | -16 | + 7 | - 6 | +24 |
| Chicago | -12 | +14 | - 3 | +14 |
| St. Louis | -14 | + 5 | + 4 | +27 |
| Minneapolis | -24 | + 6 | - 2 | +17 |
| Kansas City | -17 | + 7 | - 5 | + 3 |
| Dallas | -20 | + 4 | - 1 | +15 |
| San Francisco | -20 | + 3 | + 7 | +32 |
| U. S. Total | -18 | + 9 | - 1 | +20 |