

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17

October 10, 1956.

DEPARTMENT STORE CREDIT - AUGUST 1956

Instalment accounts outstanding at department stores showed little change in August, and continued about 18 per cent larger than a year earlier. The August collection ratio was estimated at 14 per cent, the same as for both a month ago and a year ago.

Charge accounts outstanding at the end of August were slightly larger than at the end of the preceding month, and continued above the level of a year earlier. Collections on charge accounts amounted to 45 per cent of balances outstanding on the first of the month, 1 point higher than in July but 1 point less than a year ago.

Total sales at reporting department stores were up 19 per cent from July to August, reflecting substantial increases for both cash and credit sales. Total sales were about 6 per cent above a year ago.

Changes in Department Store Sales and Accounts Receivable

Item	Percentage change from:	
	July 1956 to August 1956	August 1955 to August 1956
Sales during month: Total	+ 19	+ 6
Cash	+ 19	+ 5
Charge	+ 21	+ 6
Instalment	+ 18	+ 18
Accounts receivable, end of month: Charge	+ 2	+ 7
Instalment	0	+ 18

Collection Ratios and Percentage Distribution of Sales

Item	Aug. 1956	July 1956	Aug. 1955
Collection ratios <u>1/</u> : Charge accounts	45	44	46
Instalment accounts	14	14	14
Percentage distribution of sales: Cash	45	45	45
Charge	42	42	42
Instalment	13	13	13

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

## DEPARTMENT STORE CREDIT - AUGUST 1956

Sales by type  
(Percentage changes)

Federal Reserve District	Total sales		Cash sales		Charge-account sales		Instalment sales	
	July '55 to Aug. '56	Aug. '55 to Aug. '56	July '55 to Aug. '56	Aug. '55 to Aug. '56	July '55 to Aug. '56	Aug. '55 to Aug. '56	July '55 to Aug. '56	Aug. '55 to Aug. '56
	Boston	+26	+10	+24	+9	+31	+10	+17
New York	+18	+8	+17	+6	+20	+9	+16	+16
Philadelphia	+23	+7	+17	+9	+28	+7	+24	+3
Cleveland	+22	+5	+15	+2	+28	+4	+20	+14
Richmond	+18	+6	+15	+3	+26	+7	+11	+7
Atlanta	+22	+7	+24	+6	+22	+8	+20	+5
Chicago	+28	+9	+25	+6	+34	+10	+24	+16
St. Louis	+23	+8	+20	+3	+27	+13	+21	+6
Minneapolis	+35	+7	+30	+4	+37	+9	+43	+9
Kansas City	+25	+3	+26	+3	+25	+4	+22	-3
Dallas	+17	+3	+20	+3	+21	+2	+2	+3
San Francisco	+16	-2	+19	-2	+14	-7	+11	+18
U.S. Total	+19	+6	+19	+5	+21	+6	+18	+12

Accounts receivable, end of month  
(Percentage changes)

Federal Reserve District	Charge accounts		Instalment	
	July '55 to Aug. '56	Aug. '55 to Aug. '56	July '55 to Aug. '56	Aug. '55 to Aug. '56
	Boston	-3	+3	-2
New York	-3	+12	-1	+16
Philadelphia	0	+6	-2	+14
Cleveland	+3	+5	+1	+19
Richmond	-1	+3	0	+21
Atlanta	+2	+6	+2	+11
Chicago	+2	+10	+1	+15
St. Louis	0	+12	+2	+26
Minneapolis	+7	+9	+1	+11
Kansas City	+5	+2	+1	-3
Dallas	+6	+7	+1	+7
San Francisco	+8	+2	+3	+33
U. S. Total	+2	+7	0	+18