

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

G.17

November 6, 1956.

DEPARTMENT STORE CREDIT - SEPTEMBER 1956

Instalment accounts outstanding at department stores increased slightly in September, as is usual at this time of year, and were 17 per cent larger than a year ago. Collections in September amounted to 15 per cent of first-of-month balances, 1 point more than in August but the same as a year earlier.

Charge accounts outstanding at the end of September were 11 per cent higher than at the end of August and 8 per cent above a year ago. The charge-account collection ratio for September is estimated at 44 per cent, 1 point below both a month ago and a year ago.

Total sales at reporting department stores increased 7 per cent from August to September, reflecting increases of 5 per cent for cash sales, 10 per cent for charge-account sales, and 4 per cent for instalment sales. Compared with a year ago, total sales were up 1 per cent.

Changes in Department Store Sales and Accounts Receivable

Item	Percentage change from:	
	Aug. 1956 to Sept. 1956	Sept. 1955 to Sept. 1956
Sales during month: Total	+ 7	+ 1
Cash	+ 5	0
Charge	+10	+ 1
Instalment	+ 4	+ 9
Account receivable, end of month: Charge	+11	+ 8
Instalment	+ 2	+17

Collection Ratios and Percentage Distribution of Sales

Item	Sept. 1956	Aug. 1956	Sept. 1955
Collection ratios ^{1/2} : Charge accounts	44	45	45
Instalment accounts	15	14	15
Percentage distribution of sales: Cash	44	45	44
Charge	43	42	44
Instalment	13	13	12

^{1/2}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	
	Aug. '56 to Sept. '56	Sept. '55 to Sept. '56	Aug. '56 to Sept. '56	Sept. '55 to Sept. '56	Aug. '56 to Sept. '56	Sept. '55 to Sept. '56	Aug. '56 to Sept. '56	Sept. '55 to Sept. '56
	to	to	to	to	to	to	to	to
Boston	+23	+ 2	+17	+ 2	+31	+ 2	+19	+ 6
New York	+24	+ 3	+18	0	+36	+ 4	+19	+12
Philadelphia	+25	0	+20	+1	+31	+ 1	+13	- 4
Cleveland	+ 4	+ 4	+ 4	+3	+ 7	+ 3	- 4	+10
Richmond	+11	0	+ 6	-1	+19	- 2	+ 2	+ 5
Atlanta	0	+ 7	- 3	+7	+ 6	+ 9	- 1	+ 5
Chicago	+ 3	+ 1	- 1	-2	+ 6	+ 2	+ 5	+11
St. Louis	+ 1	+ 1	- 3	-2	+ 7	+ 4	-11	+ 2
Minneapolis	+10	+10	+ 2	+3	+16	+13	-20	+37
Kansas City	- 4	- 5	-12	-8	+ 6	- 3	- 2	- 2
Dallas	- 5	- 1	- 7	+1	+ 1	- 3	-11	+ 1
San Francisco	- 7	- 3	- 7	-2	- 7	-10	- 3	+10
U. S. Total	+ 7	+ 1	+ 5	0	+10	+ 1	+ 4	+ 9

Accounts receivable, end of month
(Percentage changes)

Federal Reserve District	Charge accounts		Instalment	
	Aug. '56 to Sept. '56	Sept. '55 to Sept. '56	Aug. '56 to Sept. '56	Sept. '55 to Sept. '56
	to	to	to	to
Boston	+18	+ 5	+1	+ 7
New York	+15	+15	+2	+18
Philadelphia	+11	+ 4	+2	+13
Cleveland	+10	+ 5	+2	+19
Richmond	+12	+ 4	+1	+19
Atlanta	+ 9	+ 7	+4	+10
Chicago	+11	+12	+3	+17
St. Louis	+ 7	+ 9	-2	+21
Minneapolis	+26	+25	+8	+21
Kansas City	+ 7	+ 1	0	- 6
Dallas	+ 6	+ 6	-1	+ 6
San Francisco	+ 3	0	+2	+33
U. S. Total	+11	+ 8	+2	+17