

Mercantile Credit Survey  
Part II

**U. S. DEPARTMENT OF COMMERCE**  
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# MERCANTILE CREDIT SURVEY

## PART II

COVERING NINE OF TWENTY-FIVE LINES OF TRADE



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## FOREWORD

The Mercantile Credit Survey is the outgrowth of several conferences held during 1930 between representatives of the Department of Commerce and credit men throughout the country. It was undertaken at the request of the National Association of Credit Men and was made with the active cooperation of its 140 affiliated associations. More than 6,000 wholesale and manufacturing firms cooperated by giving data reflecting their credit policies. The purpose of the survey was to secure a fund of factual information which will serve as a background for sound credit policies on the part of wholesalers and manufacturers in their dealings with retailers.

The important part played by credit in distribution is indicated by the fact that the credit sales of the 18 lines of trade included in Parts I and II of this survey were 87.4 per cent of total sales in 1930. Men's clothing establishments, with 98.8 per cent, had the highest percentage of credit sales; gasoline, lubricating oil, and grease establishments, with 67.4 per cent, had the lowest percentage. There were numerous firms with all of their business on a credit basis.

The figures presented herein for the years 1928, 1929, and 1930 seem to indicate that, on the whole, the credit extended by wholesalers and manufacturers selling direct to retailers was on a sound basis. At the same time, they also indicate that numerous firms were probably carrying on their business without proper regard for sound principles of credit. Some of these firms had bad-debt losses two or three times as great as the average for firms in the same kind of business. Their collection percentages were half the average, which means that the number of days their accounts receivable were outstanding was twice the average, and the amount of money on the books at a given time for the same volume of business was also twice the average. Their returns and allowance percentages were two or three times as great as they should have been. The profits of these concerns were literally being eaten up by the costs involved in carrying overdue accounts, in losses through uncollectible outstandings, and an unusually high percentage of returned merchandise. One of the effects of the type of management reflected in such figures is to nourish a group of inefficient retailers who are a wasteful burden on the distribution system.

The National Association of Credit Men was represented in the conduct of the survey by Henry H. Heimann, executive manager and former president; David A. Weir, assistant executive manager; and Lawrence Whitty, former president.

The survey was made under the general direction of Dr. Frank M. Surface, assistant director, and H. C. Dunn, chief of the merchandising research division, Bureau of Foreign and Domestic Commerce. Dr. W. C. Plummer, of the Wharton School of Finance and Commerce, University of Pennsylvania, who is retained by the department in connection with its credit researches, was responsible for the preparation of this report. H. T. LaCrosse, of the merchandising research division, assisted in the work. Dr. Theodore N. Beckman and Dr. Frank A. Fall gave the benefit of their advice in the formulation of the questionnaire and on various other matters.

FREDERICK M. FEIKER, *Director,*  
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NOVEMBER, 1932.

# MERCANTILE CREDIT SURVEY—PART II

## INTRODUCTION

This report is based on information derived from questionnaires sent to firms selling direct to retailers and located in all sections of the country. Names and addresses of firms were supplied by the 140 associations affiliated with the National Association of Credit Men. Each association was asked to supply a list of names totaling at least twice its membership and including all the principal lines of trade.

The business houses which received the questionnaires were told, on account of the confidential nature of the information requested, that the Department of Commerce wanted the facts only in order to consolidate them with those of other concerns, thereby arriving at information covering the general credit operations of each line of business in each part of the country; and that the facts regarding any individual business would not be subject to the use of any other Government department, credit association, or other agency, nor could any other report made by it be checked against this report.

The results of the survey are published in three parts—Part I and Part II each containing data for nine, and Part III, for seven lines of trade. Part III also contains summary material for the 25 lines of trade and a miscellaneous group.

The nine kinds of establishments included in Part I of the report are: Agricultural implements; athletic and sporting goods; automotive supplies, including tires; books and stationery; clothing, hats, caps, and gloves (men's wear); coal and coke; confectionery (candy and soda fountain supplies); drugs and toilet articles and drug sundries; and dry goods and notions.

The nine kinds of establishments included in Part II of the report are: Electrical and radio supplies; food products; footwear; furniture, floor coverings, and household furnishings; gasoline, lubricating oil, and greases; hardware and stoves; heating and plumbing supplies; jewelry; and leather and luggage.

Data upon the following subjects are given for each of the nine kinds of establishments: Extent of credit business, losses from bad debts, collection percentages, returns and allowances, credit terms, customers attempting to take unearned discounts, and customers attempting to dictate terms.

In presenting this information, averages are worked out for the various groups. Such averages are significant but do not give as much information as is sometimes desired; consequently, frequency tables are given showing the number and distribution of individual firms in the various groups. The aim has been to present the data in such form that the individual firm can compare its own experience with that of similar establishments.

The words "wholesale," "wholesaler," "wholesaling establishment," "manufacturing," "manufacturer," and "manufacturing establishment" are not used according to highly refined definitions of these terms. Each firm classified itself with respect to type and kind of business; consequently, these words are used in the way that they are commonly employed by those engaged in the various

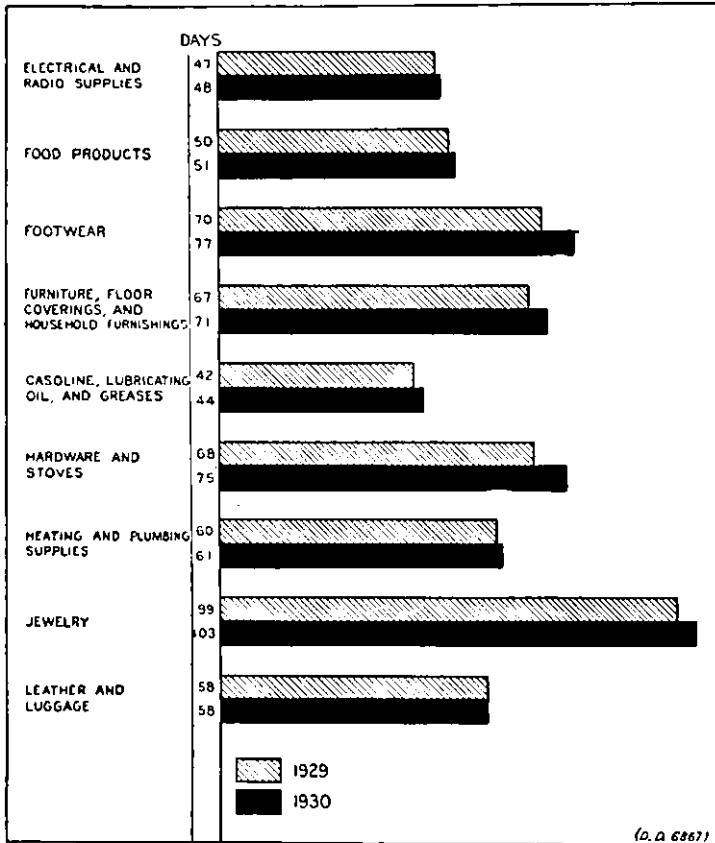


Figure 1.—Average period that accounts receivable are outstanding; wholesalers and manufacturers

lines of business. The questions asking the firm to classify itself were as follows:

I. Check type of business.

Wholesale.

Manufacturing, selling direct to retailers.

Commission house, selling direct to retailers.

II. Check kind of business establishment.

1. Agricultural implements.
2. Athletic and sporting goods.
3. Automotive supplies, including tires.
4. Books and stationery.
5. Clothing, hats, caps, and gloves (men's wear).
6. Coal and coke.
7. Confectionery (candy and soda fountain supplies).
8. Drugs and toilet articles and drug sundries.
9. Dry goods and notions.

II. Check kind of business establishment—Continued..

10. Electrical and radio supplies.
11. Food products.
12. Footwear.
13. Furniture, floor coverings, and household furnishings.
14. Gasoline, lubricating oil, and greases.
15. Hardware and stoves.
16. Heating and plumbing supplies.
17. Jewelry.
18. Leather and luggage.
19. Lumber and building materials.
20. Music (musical instruments and musical merchandise).
21. Paint, oil, varnish, and wall paper.
22. Paper and paper products.
23. Rubber: Mechanical rubber goods, such as belting, hose, and packing.
24. Tobacco products.
25. Women's wear, millinery, and gloves.
26. If your establishment can not be classified under any of the above lines of trade, specify your kind of business.

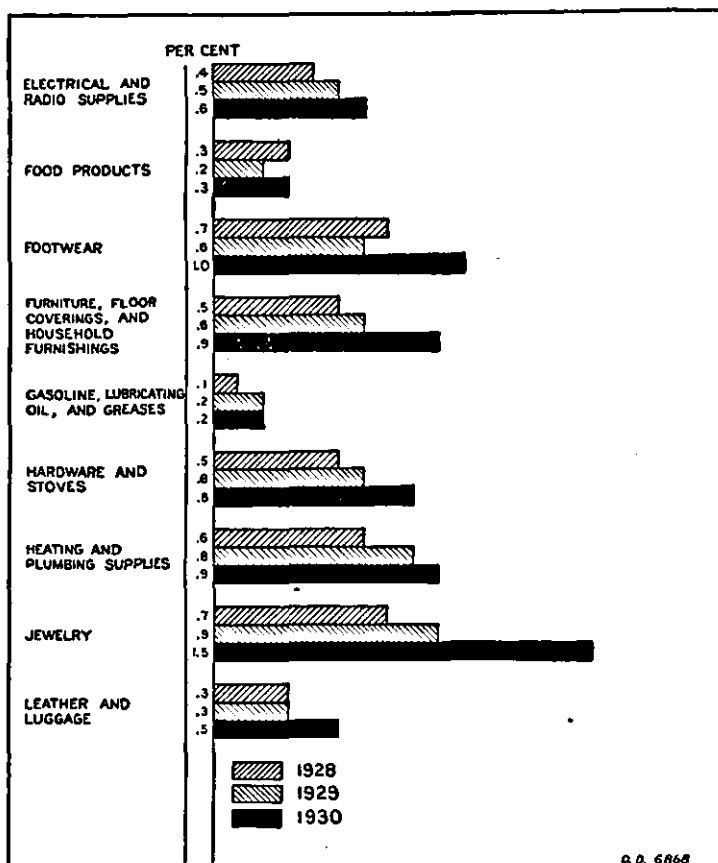


Figure 2.—Bad-debt losses of wholesalers and manufacturers

SUMMARY

This summary covers the first 18 lines of trade for which data have been compiled and which are included in Parts I and II of the Mercantile Credit Survey report. Part III of the report contains complete summary tables and text for 25 lines of trade and a miscellaneous group.

## EXTENT OF CREDIT BUSINESS

The credit sales of 3,444 wholesale and manufacturing establishments reporting for the years 1928, 1929, and 1930 were 88.9 per cent of total net sales in 1928, 88.7 per cent of total net sales in 1929, and 87.4 per cent of total net sales in 1930. The range for 1930 was

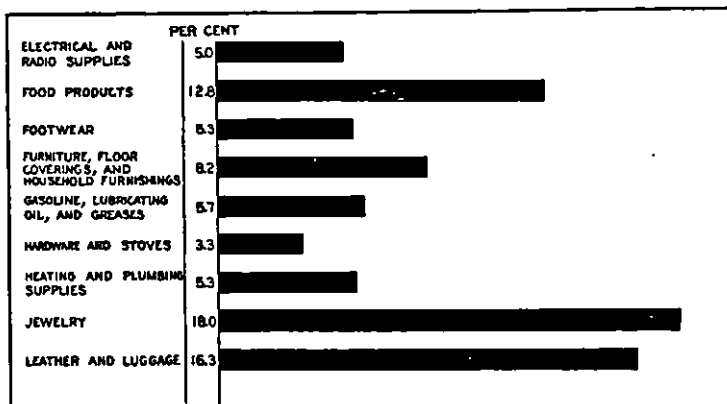


Figure 3.—Per cent of customers attempting to take unearned discounts.

from 67.4 per cent for gasoline, lubricating-oil, and grease establishments to 98.8 per cent for men's-clothing establishments.

## BAD-DEBT LOSSES

The weighted average bad-debt loss of establishments reporting on the subject was 0.4 per cent of total net sales in 1928 (3,454 reporting),

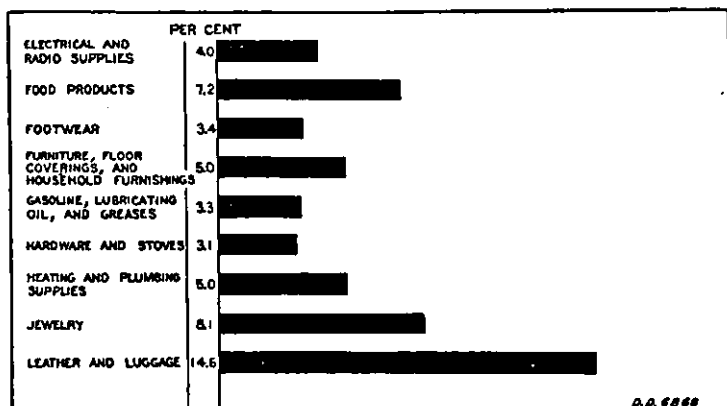


Figure 4.—Per cent of customers attempting to dictate terms.

0.4 per cent of total net sales in 1929 (3,623 reporting), and 0.6 per cent of total net sales in 1930 (3,722 reporting). The range for 1930 was from 0.2 per cent for coal and coke, and gasoline, lubricating-oil, and grease establishments to 1.5 per cent for jewelry establishments.

## COLLECTION PERCENTAGES AND LENGTH OF TIME RECEIVABLES OUTSTANDING

The weighted average collection percentage of 2,469 establishments reporting on the subject for 1929 and 1930 was 50.5 per cent in 1929 and 48 per cent in 1930.



These figures indicate that the average length of time that accounts receivable were outstanding—that is, the average length of time the wholesalers and manufacturers had their dollars tied up in accounts receivable—was 59 days in 1929 and 63 days in 1930. The range for 1930 was from 44 days for gasoline, lubricating-oil, and grease establishments to 146 days for agricultural-implement establishments.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$161,644 in 1929 and \$172,603 in 1930.

RETURNS AND ALLOWANCES

Returns and allowances of establishments reporting on the subject were 3 per cent of gross sales in 1928 (3,455 reporting); 3 per cent of gross sales in 1929 (3,612 reporting); and 3.1 per cent of gross sales in 1930 (3,710 reporting).

CUSTOMERS ATTEMPTING TO TAKE UNEARNED DISCOUNTS AND DICTATE TERMS

The replies of 1,856 establishments showed that 8.2 per cent of customers attempted to take unearned discounts. The replies of 2,101 establishments showed that 5.3 per cent of customers attempted to dictate terms.

ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 213 electrical and radio supply establishments selling direct to retailers, with total net sales in 1930 of \$305,276,000, did 97 per cent of total business on credit in 1928, 97 per cent on credit in 1929, and 96.8 per cent in 1930.

There were 31 of the 213 firms which did 100 per cent credit business. Ten of them were wholesale, 19 were manufacturing, 1 was manufacturing and wholesale, and 1 described itself as a commission house.

EXTENT OF CREDIT BUSINESS OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	150	220,391	254,598	196,324	+11.0	-22.1	96.3	96.3	96.1	0	-0.2
Manufacturing.....	48	92,397	109,419	87,284	+18.4	-20.2	99.0	99.0	98.9	0	-0.1
Wholesale and manufacturing.....	12	22,164	24,630	18,937	+11.1	-23.1	95.9	95.3	94.8	-0.6	-0.5
All other.....	3	1,700	1,262	731	-23.8	-42.1	96.4	95.5	93.2	-2.9	-2.4
Total.....	213	345,652	389,929	305,276	+12.8	-21.7	97.0	97.0	96.8	0	-0.2

## LOSSES FROM BAD DEBTS

The average bad-debt loss for the electrical and radio supply establishments reporting on the subject was 0.4 per cent of net sales in 1928, 0.5 per cent of net sales in 1929, and 0.7 per cent in 1930.

The average bad-debt loss for the firms which classified themselves as wholesale was 0.5 per cent in 1928, 0.6 per cent in 1929, and 0.7 per cent in 1930. The average for the firms which classified themselves as manufacturing was 0.2 per cent in 1928, 0.3 per cent in 1929, and 0.4 per cent in 1930. The firms which classified themselves as wholesale and manufacturing had 0.4 per cent in 1928, 0.4 per cent in 1929, and 1.7 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages in 1930, it was found that there were 26 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 27 firms with 2 per cent or over. The latter firms thus had credit losses more than ten times as great proportionately as the former.

## BAD-DEBT LOSSES OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	152	0.5	163	0.6	169	0.7
Manufacturing.....	48	.2	50	.3	50	.4
Wholesale and manufacturing.....	13	.4	13	.4	13	1.7
All other.....	3	.5	3	.4	3	1.4
Total.....	216	.4	229	.5	235	.7

## ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS, GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	26	3	6	2	6	4	1	4
0.2 to 0.29 per cent.....	15		4	6	2	2		1
0.3 per 0.39 per cent.....	17	2	1	3	1	6	2	2
0.4 to 0.49 per cent.....	12	1	1	1	7	2		
0.5 to 0.59 per cent.....	21	3	2	4	9	1	1	1
0.6 to 0.69 per cent.....	18	1	1	5	8	3		
0.7 to 0.79 per cent.....	16		2	3	4	5		1
0.8 to 0.89 per cent.....	9		2	4	2		1	
0.9 to 0.99 per cent.....	14		3	2	4	3	2	
1.0 to 1.09 per cent.....	14		4	1	2	6	1	
1.1 to 1.19 per cent.....	10	2	2	3	2	1		
1.2 to 1.29 per cent.....	6		2	1	1		1	
1.3 to 1.39 per cent.....	8	2	3	1		1		
1.4 to 1.49 per cent.....	6		2	3	1		1	
1.5 to 1.59 per cent.....	3		2		1			
1.6 to 1.69 per cent.....	3		2		1			
1.7 to 1.79 per cent.....	1	1	1		1	1		
1.8 to 1.89 per cent.....	5		4		1			
1.9 to 1.99 per cent.....	4		1	1	1		1	
2 per cent and over.....	27	1	4	6	10	6		
Total.....	235	10	47	46	63	42	12	9

## COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month; for example, if the balance on accounts receivable on January 1, 1930, was \$100,000 and collections during January were \$40,000, the collection percentage would be 40 per cent.

The weighted average collection percentage for electrical and radio supply establishments was 63.6 per cent in 1929 and 62.1 per cent in 1930. These figures indicate that the average length of time that accounts receivable were outstanding—that is, the average length of time the wholesalers and manufacturers had funds tied up in accounts receivable—was 47 days in 1929 and 48 days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$128,767 in 1929 and \$131,507 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	114	64.4	63.5	47	47	\$128,767	\$128,767
Manufacturing.....	30	70.0	67.0	43	45	117,808	123,288
Wholesale and manufacturing.....	12	46.9	44.4	64	68	175,342	186,301
All other.....	1	56.8	58.8	53	51	145,205	130,726
Total.....	157	63.6	62.1	47	48	128,767	131,507

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year			
		1929	1930			1929	1930		
Less than \$100,000.....	8	53.5	46.3	\$2,500,000 to \$4,999,999.....	9	54.8	57.1		
\$100,000 to \$249,999.....	38	53.4	45.5			\$5,000,000 and over.....	6	72.8	73.2
\$250,000 to \$499,999.....	33	58.1	52.0					Total.....	157
\$500,000 to \$999,999.....	37	53.9	52.2						
\$1,000,000 to \$2,499,999.....	26	60.4	55.3						

## RETURNS AND ALLOWANCES

Returns and allowances of electrical and radio supply establishments were 5.1 per cent of gross sales in 1928, 5.5 per cent in 1929, and 6.1 per cent in 1930.

The wholesale establishments had an average of 5.5 per cent in 1928, 5.8 per cent in 1929, and 5.8 per cent in 1930. The manufacturing establishments had an average of 3.8 per cent in 1928, 4.7 per cent in 1929, and 6.6 per cent in 1930. The wholesale and manu-

facturing establishments had 6.5 per cent in 1928, 6.2 per cent in 1929, and 6.3 per cent in 1930.

In grouping firms according to the size of their returns and allowance percentages for 1930, it was found that there were 32 firms with less than 1 per cent. At the other extreme were 24 firms with 10 per cent or over.

#### RETURNS AND ALLOWANCES OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	151	5.5	161	5.8	168	5.8
Manufacturing.....	48	3.8	51	4.7	51	6.6
Wholesale and manufacturing.....	12	6.5	12	6.2	12	6.3
All other.....	3	3.5	3	4.6	3	4.9
Total.....	214	5.1	227	5.5	234	6.1

#### ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allow-ances	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	32	5	8	6	8	2	2	1
1 to 1.9 per cent.....	19	2	3	7	5	1	1	1
2 to 2.9 per cent.....	30	3	8	8	6	2	2	1
3 to 3.9 per cent.....	35	1	6	7	9	8	2	2
4 to 4.9 per cent.....	31	2	5	3	9	9	2	1
5 to 5.9 per cent.....	24	1	1	5	9	8	1	1
6 to 6.9 per cent.....	10	1	3	2	2	1	1	1
7 to 7.9 per cent.....	11	1	2	1	5	3	1	1
8 to 8.9 per cent.....	13	1	4	2	1	3	1	1
9 to 9.9 per cent.....	5	1	1	1	2	1	1	1
10 per cent and over.....	24	2	6	4	6	3	1	2
Total.....	234	17	47	46	62	41	12	9

#### CREDIT TERMS

In securing information on credit terms, eight sets of terms in common use among wholesalers and manufacturers were listed on the questionnaire, and the firm was asked to check the set of terms most commonly used. If the set of terms most commonly employed by the firm was not listed, it was asked to specify its terms.

Sixty-eight radio and electrical supply establishments, or 29.2 per cent of the total reporting on the subject, used "2 per cent 10 days; net 30 days." Sixty firms, or 25.6 per cent of the total, used "2 per cent tenth prox.; net 30 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS IN 1930

Set of terms	Estab- lish- ments using terms most com- monly	Per cent of total establi- shments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	15	6.4	1.1
1 per cent 10 days; net 30 days.....	7	3.0	.2
2 per cent 10 days; net 30 days.....	68	29.2	.5
2 per cent tenth prox.; net 30 days.....	60	25.6	1.1
2 per cent tenth prox.; net 60 days.....	1	.4	1.0
All other.....	23	9.8	1.1
Combination of 2 or more of the above.....	60	25.6	.8
<b>Total.....</b>	<b>234</b>	<b>100.0</b>	<b>.7</b>

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

One hundred and forty-five electrical and radio supply establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 4 per cent of customers attempted to dictate terms. It is interesting to note that the six establishments with annual sales less than \$100,000 had an average of 17 per cent, whereas the six with annual sales of \$5,000,000 or over had 0.5 per cent.

One hundred and thirty-five electrical and radio supply establishments answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 5 per cent of customers attempted to take unearned discounts. In grouping establishments according to size, it was found that the smallest size group (annual sales less than \$100,000) had an average of 17.5 per cent. The largest size group (annual sales \$5,000,000 and over) had an average of 1 per cent.

PER CENT OF CUSTOMERS OF ELECTRICAL AND RADIO SUPPLY ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS, 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dic- tate terms		Attempting to take unearned discounts	
	Firms re- porting	Per cent of customers	Firms re- porting	Per cent of customers
<b>TYPE OF ESTABLISHMENTS</b>				
Wholesale.....	107	4.6	101	5.9
Manufacturing.....	26	1.2	24	2.2
Wholesale and manufacturing.....	11	4.5	9	2.8
All other.....	1	1.0	1	1.0
<b>SALES VOLUME</b>				
Less than \$100,000.....	6	17.0	6	17.5
\$100,000 to \$249,999.....	36	4.1	31	5.1
\$250,000 to \$499,999.....	28	2.5	30	5.4
\$500,000 to \$999,999.....	36	4.3	33	5.8
\$1,000,000 to \$2,499,999.....	24	3.6	23	1.9
\$2,500,000 to \$4,999,999.....	9	1.2	7	1.9
\$5,000,000 and over.....	6	.5	5	1.0
<b>Total.....</b>	<b>145</b>	<b>4.0</b>	<b>135</b>	<b>5.0</b>

## FOOD-PRODUCTS ESTABLISHMENTS

## EXTENT OF CREDIT BUSINESS

The 918 food-products establishments selling direct to retailers reporting for the years 1928, 1929, and 1930 did 82.6 per cent of total business on credit in 1928, 82.3 per cent on credit in 1929, and 81.6 per cent on credit in 1930.

There were 71 of the 918 firms which did 100 per cent credit business. Forty of them were wholesale, 20 were manufacturing, 2 were commission houses, 8 were wholesale and manufacturing, and 1 wholesale and commission house.

## EXTENT OF CREDIT BUSINESS OF FOOD-PRODUCTS ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit, in weighted averages					
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	504	794,048	813,507	743,615	+2.5	-8.6	84.0	83.8	83.8	-0.2	0
Manufacturing.....	243	587,576	602,116	555,388	+2.5	-7.8	77.7	77.5	76.2	-0.3	-1.7
Wholesale and manufacturing.....	120	235,747	243,307	220,887	+3.2	-6.8	88.7	88.2	87.3	-0.6	-1.0
All other.....	51	56,616	58,834	54,478	+3.9	-7.4	86.7	86.2	83.0	-0.6	-3.7
Total.....	918	1,673,987	1,717,764	1,580,368	+2.6	-8.0	82.6	82.3	81.6	-0.4	-0.9

## LOSSES FROM BAD DEBTS

The average bad-debt loss for the food-products establishments reporting on the subject was 0.3 per cent of net sales in 1928, 0.2 per cent of net sales in 1929, and 0.3 per cent of net sales in 1930.

In correlating sales volume and bad-debt loss percentages, it was found that the larger the sales volume the smaller were the bad-debt loss percentages. This is true for all three years. The range in 1930 was from 0.9 per cent for the smallest size group (annual sales less than \$100,000) to 0.2 per cent for the largest size group (annual sales \$10,000,000 and over).

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 307 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 45 firms with 1.5 per cent or over. The latter firms thus had credit losses more than seven and one-half times as great proportionately as the former.

BAD-DEBT LOSSES OF FOOD-PRODUCTS ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	504	0.3	534	0.3	551	0.3
Manufacturing.....	241	.2	262	.2	272	.3
Wholesale and manufacturing.....	126	.3	135	.3	142	.3
All other.....	50	.3	52	.3	53	.3
Total.....	921	.3	983	.2	1,018	.3

FOOD-PRODUCTS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores.	Size group (sales volume)							
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10,000,000 and over
Less than 0.2 per cent.	307	10	28	49	81	66	40	17	16
0.2 to 0.29 per cent.	161	7	13	25	49	45	11	9	2
0.3 to 0.39 per cent.	122	6	14	21	25	38	11	6	1
0.4 to 0.49 per cent.	115	6	17	17	29	32	8	5	1
0.5 to 0.59 per cent.	77	5	17	14	16	15	6	3	1
0.6 to 0.69 per cent.	44	3	3	8	12	9	6	2	1
0.7 to 0.79 per cent.	27	1	5	10	4	5	1	1	1
0.8 to 0.89 per cent.	29	4	6	6	7	2	3	3	1
0.9 to 0.99 per cent.	20	4	5	3	7	-----	-----	1	-----
1.0 to 1.09 per cent.	21	1	6	3	5	3	3	-----	-----
1.1 to 1.19 per cent.	16	3	4	2	2	-----	-----	-----	-----
1.2 to 1.29 per cent.	12	2	3	2	2	1	-----	-----	1
1.3 to 1.39 per cent.	11	-----	4	3	-----	3	1	-----	-----
1.4 to 1.49 per cent.	11	1	-----	3	3	2	1	1	-----
1.5 per cent and over	45	12	12	8	6	7	-----	-----	-----
Total.....	1,018	65	137	174	248	233	89	48	24

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month; for example, if the balance on accounts receivable on January 1, 1930, was \$100,000 and collections during January were \$40,000, the collection percentage would be 40 per cent.

The weighted average collection percentage for food-products establishments was 59.7 per cent in 1929 and 58.9 per cent in 1930. These figures indicate that the average length of time accounts receivable were outstanding was 50 days in 1929 and 51 days in 1930.

The collection percentages also indicate that the amount of accounts receivable that were outstanding at a given time per \$1,000,000 of net sales was \$136,986 in 1929 and \$139,726 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FOOD-PRODUCTS ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	274	60.7	59.7	49	50	\$134,247	\$136,986
Manufacturing.....	136	58.2	57.9	52	52	142,466	142,466
Wholesale and manufacturing.....	79	59.3	57.6	51	52	139,726	142,466
All others.....	28	63.3	63.7	47	47	128,767	128,767
Total.....	517	59.7	58.9	50	51	136,986	139,726

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FOOD-PRODUCTS ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	19	45.8	45.4	\$2,500,000 to \$4,999,999.....	44	61.7	61.2
\$100,000 to \$249,999.....	60	59.0	55.8	\$5,000,000 to \$9,999,999.....	33	58.7	55.8
\$250,000 to \$499,999.....	81	61.0	57.9	\$10,000,000 and over.....	14	57.4	56.2
\$500,000 to \$999,999.....	131	62.8	63.8	Total.....	517	59.7	58.9
\$1,000,000 to \$2,499,999.....	135	62.5	61.5				

RETURNS AND ALLOWANCES

Returns and allowances of food-products establishments were 1.7 per cent of gross sales in 1928, 1.6 per cent in 1929, and 1.8 per cent in 1930.

The wholesale establishments had 1.4 per cent in 1928, 1.4 per cent in 1929, and 1.4 per cent in 1930. The manufacturing establishments had 2.4 per cent in 1928, 2.3 per cent in 1929, and 2.5 per cent in 1930. The wholesale and manufacturing establishments had 1.1 per cent in 1928, 1.1 per cent in 1929, and 1.2 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it is found that there were 201 firms with less than 0.2 per cent. At the other extreme were 141 firms with 3 per cent or over. The latter firms thus had returns and allowances 15 times as great proportionately as the former.

RETURNS AND ALLOWANCES OF FOOD-PRODUCTS ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	505	1.4	536	1.4	552	1.4
Manufacturing.....	244	2.4	263	2.3	272	2.5
Wholesale and manufacturing.....	121	1.1	130	1.1	137	1.2
All other.....	51	.9	53	.9	54	.9
Total.....	921	1.7	982	1.6	1,015	1.8



FOOD-PRODUCTS ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)							
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10,000,000 and over
Less than 0.2 per cent.	201	25	43	35	48	29	11	6	4
0.2 to 0.39 per cent.	83	5	8	12	24	21	8	2	3
0.4 to 0.59 per cent.	100	5	17	24	19	25	4	4	2
0.6 to 0.79 per cent.	65	1	7	9	17	19	11	-----	1
0.8 to 0.99 per cent.	65	4	6	10	16	17	6	4	2
1 to 1.19 per cent.	67	1	9	11	21	18	3	3	1
1.2 to 1.39 per cent.	57	2	7	6	16	16	6	4	-----
1.4 to 1.59 per cent.	46	2	6	6	12	11	5	4	-----
1.6 to 1.79 per cent.	45	2	4	5	12	10	7	3	2
1.8 to 1.99 per cent.	32	2	3	5	5	7	6	4	-----
2 to 2.19 per cent.	35	2	4	11	9	5	2	2	-----
2.2 to 2.39 per cent.	21	2	-----	3	4	7	4	1	-----
2.4 to 2.59 per cent.	19	1	1	4	4	7	1	-----	1
2.6 to 2.79 per cent.	22	4	1	-----	8	7	1	1	-----
2.8 to 2.99 per cent.	16	1	3	1	4	2	1	4	-----
3 per cent and over.	141	10	20	30	20	31	10	6	5
Total	1,015	69	139	172	248	232	86	48	21

CREDIT TERMS

A wide variety of credit terms was employed by food-products establishments. One hundred and thirty-six establishments, or 13.5 per cent of the total reporting on the subject, used "no cash discount; net 30 days." One hundred and twenty-five firms, or 12.4 per cent of the total, used "1 per cent 10 days; net 30 days." One hundred and three firms, or 10.2 per cent of the total, used "2 per cent 10 days; net 30 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF FOOD-PRODUCTS ESTABLISHMENTS IN 1930

Set of terms	Establishments using terms most commonly	Per cent of total establishments	Ratio of bad debts to total sales
No cash discount; net 30 days	136	13.5	0.3
No cash discount; net 60 days	3	.3	.2
1 per cent 10 days; net 30 days	125	12.4	.4
1 per cent 10 days; net 60 days	4	.4	.2
2 per cent 10 days; net 30 days	103	10.2	.5
2 per cent 10 days; net 60 days	2	.2	.6
2 per cent tenth prox.; net 30 days	30	3.0	.5
2 per cent tenth prox.; net 60 days	3	.3	.8
All other	366	36.2	.2
Combination of 2 or more of the above	238	23.5	.3
Total	1,010	100.0	.3

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Four hundred and thirty-two food-products establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 7.2 per cent of customers attempted to dictate terms.

Two hundred and forty-six food-products establishments answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 12.8 per cent of customers attempted to take unearned discounts.

PER CENT OF CUSTOMERS OF FOOD-PRODUCTS ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
<b>TYPE OF ESTABLISHMENTS</b>				
Wholesale.....	223	7.4	151	14.1
Manufacturing.....	117	7.4	55	10.8
Wholesale and manufacturing.....	71	6.7	37	11.1
All other.....	21	7.0	3	1.0
<b>SALES VOLUME</b>				
Less than \$100,000.....	14	6.2	11	6.5
\$100,000 to \$249,999.....	50	10.0	33	11.8
\$250,000 to \$499,999.....	66	9.5	40	8.5
\$500,000 to \$999,999.....	107	6.4	58	16.8
\$1,000,000 to \$2,499,999.....	117	5.9	67	11.8
\$2,500,000 to \$4,999,999.....	40	6.1	21	15.1
\$5,000,000 to \$9,999,999.....	27	8.7	11	23.1
\$10,000,000 and over.....	11	5.6	5	1.0
Total.....	432	7.2	246	12.8

FOOTWEAR ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 136 footwear establishments selling direct to retailers which reported for the years 1928, 1929, and 1930 did 95.3 per cent of total business on credit in 1928, 95.2 per cent on credit in 1929, and 95 per cent in 1930.

There were 60 of the 136 firms which did 100 per cent credit business. Nine of them were wholesale, 50 were manufacturing, and 1 was wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF FOOTWEAR ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	40	34,683	34,843	29,077	+0.5	-16.6	86.6	86.8	86.7	+0.2	-0.1
Manufacturing.....	93	204,245	301,000	243,318	+2.3	-19.2	96.3	96.1	96.0	-0.2	-0.1
Wholesale and manufacturing.....	3	3,234	3,105	2,083	-4.0	-32.9	99.7	99.7	99.7	0	0
Total.....	136	332,162	338,948	274,478	+2.0	-19.0	95.3	95.2	95.0	-0.1	-0.2

LOSSES FROM BAD DEBTS

The average bad-debt loss for the footwear establishments reporting on the subject was 0.7 per cent of net sales in 1928, 0.6 per cent of net sales in 1929, and 1 per cent of net sales in 1930.

The firms which classified themselves as wholesale had an average bad-debt loss of 0.7 per cent in 1928, 0.7 per cent in 1929, and 1.2 per cent in 1930. Those which classified themselves as manufacturing had an average of 0.7 per cent in 1928, 0.6 per cent in 1929, and 1 per cent in 1930. Those which classified themselves as wholesale and manufacturing had 0.6 per cent in 1928, 0.4 per cent in 1929, and 0.7 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 19 of them with bad-debt losses less than 0.2 per cent. At the other extreme were nine firms with 3 per cent or over. The latter firms thus had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF FOOTWEAR ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	41	0.7	42	0.7	43	1.2
Manufacturing.....	92	.7	96	.6	97	1.0
Wholesale and manufacturing.....	3	.6	3	.4	3	.7
Total.....	136	.7	141	.6	143	1.0

FOOTWEAR ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	19	1	3	2	1	8	3	1
0.2 to 0.39 per cent.....	9	-----	-----	3	1	4	-----	1
0.4 to 0.59 per cent.....	20	1	6	3	5	2	3	-----
0.6 to 0.79 per cent.....	15	-----	1	1	3	8	1	1
0.8 to 0.99 per cent.....	19	3	2	2	3	6	1	2
1 to 1.19 per cent.....	12	1	1	3	3	2	-----	2
1.2 to 1.39 per cent.....	9	1	3	1	1	2	-----	1
1.4 to 1.59 per cent.....	8	1	1	2	2	1	-----	1
1.6 to 1.79 per cent.....	4	-----	-----	2	2	-----	-----	-----
1.8 to 1.99 per cent.....	6	-----	2	-----	1	2	1	-----
2 to 2.19 per cent.....	4	-----	1	-----	-----	1	1	1
2.2 to 2.39 per cent.....	4	-----	-----	-----	2	1	1	-----
2.4 to 2.59 per cent.....	2	-----	1	1	-----	-----	-----	-----
2.6 to 2.79 per cent.....	1	-----	-----	1	-----	-----	-----	-----
2.8 to 2.99 per cent.....	2	-----	-----	-----	2	-----	-----	-----
3 per cent and over.....	9	2	1	1	2	3	-----	-----
Total.....	143	10	22	22	28	40	11	10

## COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month.

The weighted average collection percentage for footwear establishments was 42.7 per cent in 1929 and 39 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 70 days in 1929 and 77 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$191,781 in 1929 and \$210,959 in 1930.

## PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FOOTWEAR ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
		Wholesale.....	32	41.6	37.8	72	79
Manufacturing.....	74	42.9	39.2	70	77	191,781	210,959
Wholesale and manufacturing.....	2	38.3	35.4	78	85	213,699	232,877
Total.....	108	42.7	39.0	70	77	191,781	210,959

## PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FOOTWEAR ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	5	43.8	42.7	\$2,500,000 to \$4,999,999.....	10	44.4	40.0
\$100,000 to \$249,999.....	17	39.7	35.9		\$5,000,000 and over.....	9	43.0
\$250,000 to \$499,999.....	14	42.3	38.9	Total.....	108	42.7	39.0
\$500,000 to \$999,999.....	25	40.9	37.7				
\$1,000,000 to \$2,499,999.....	28	41.8	36.8				

## RETURNS AND ALLOWANCES

Returns and allowances of footwear establishments were 4.3 per cent of gross sales in 1928, 4.4 per cent in 1929, and 4.8 per cent in 1930.

The wholesale establishments had 4.3 per cent in 1928, 3.9 per cent in 1929, and 4 per cent in 1930. The manufacturing establishments had 4.3 per cent in 1928, 4.4 per cent in 1929, and 4.9 per cent in 1930. The wholesale and manufacturing establishments had 2 per cent in 1928, 2.5 per cent in 1929, and 3.3 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 11 firms with less than 1 per cent. At the other extreme were 13 firms with 10 per cent or over. The latter firms thus had returns and allowances ten times as great proportionately as the former.

RETURNS AND ALLOWANCES OF FOOTWEAR ESTABLISHMENTS 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	40	4.2	41	3.9	42	4.0
Manufacturing.....	93	4.3	97	4.4	98	4.9
Wholesale and manufacturing.....	3	2.0	3	2.5	3	3.3
Total.....	136	4.3	141	4.4	143	4.8

FOOTWEAR ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total firms	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	11		1	3	3	1	2	1
1 to 1.9 per cent.....	13	3	2	1	2	4		1
2 to 2.9 per cent.....	24	4	4	2	4	6	3	1
3 to 3.9 per cent.....	14		2	5	2	2	2	1
4 to 4.9 per cent.....	28	1	4	4	5	9	2	3
5 to 5.9 per cent.....	18	1	3	3	4	6		1
6 to 6.9 per cent.....	12	1	2	1	4	2	1	1
7 to 7.9 per cent.....	2		1		1			
8 to 8.9 per cent.....	4			1		2	1	
9 to 9.9 per cent.....	4		1		1	2		
10 per cent and over.....	13		2	1	3	6		1
Total.....	143	10	22	21	29	40	11	10

CREDIT TERMS

A wide variety of credit terms was employed by footwear establishments. Eighteen firms, or 12.7 per cent of the total reporting on the subject, used "2 per cent 10 days; net 30 days." This set of terms was used by more firms than any other.

CREDIT TERMS AND BAD-DEBT LOSSES OF FOOTWEAR ESTABLISHMENTS IN 1930

Set of terms	Estab-lish-ments using terms most com-monly	Per cent of total establish-ments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	8	5.6	0.7
No cash discount; net 60 days.....	5	3.5	1.5
1 per cent 10 days; net 30 days.....	9	6.3	1.8
1 per cent 10 days; net 60 days.....	1	.7	1.6
2 per cent 10 days; net 30 days.....	18	12.7	2.4
2 per cent 10 days; net 60 days.....	2	1.4	1.5
2 per cent tenth prox.; net 30 days.....	1	.7	1.7
2 per cent tenth prox.; net 60 days.....	1	.7	2.0
All other.....	68	47.9	.8
Combination of 2 or more of the above.....	29	20.5	.9
Total.....	142	100.0	1.0

## CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Eighty-eight footwear establishments answered the question: "What proportion of your customers attempt to dictate terms?" The replies show that 3.4 per cent of customers attempted to dictate terms. In grouping firms according to size, it was found that the largest size group (annual sales \$5,000,000 and over) had the highest percentage. The average for this group was 14.9 per cent.

Eighty-six footwear establishments answered the question: "What proportion of your customers attempt to take unearned discounts?" The replies show that 5.3 per cent of customers attempted to take unearned discounts. In grouping firms according to size, it is found that the largest size group (annual sales \$5,000,000 and over) had the highest percentage. The average for this group was 20.6 per cent.

## PER CENT OF CUSTOMERS OF FOOTWEAR ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TO TAKE UNEARNED DISCOUNTS, 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
<b>TYPE OF ESTABLISHMENTS</b>				
Wholesale.....	24	2.5	23	4.3
Manufacturing.....	64	3.7	63	5.7
<b>SALES VOLUME</b>				
Less than \$100,000.....	4	6.0	3	10.0
\$100,000 to \$249,999.....	15	3.8	14	7.4
\$250,000 to \$499,999.....	10	1.7	10	7.0
\$500,000 to \$999,999.....	20	1.1	22	3.5
\$1,000,000 to \$2,499,999.....	22	2.8	23	2.5
\$2,500,000 to \$4,999,999.....	10	1.3	9	2.1
\$5,000,000 and over.....	7	14.9	5	20.6
Total.....	88	3.4	86	5.3

## FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS

## EXTENT OF CREDIT BUSINESS

The 346 furniture, floor-covering, and household-furnishing establishments selling direct to retailers, which reported for the years 1928, 1929, and 1930, did 98 per cent of total business on credit in 1928, 98 per cent on credit in 1929, and 97.8 per cent in 1930.

There were 153 of the 346 firms which did 100 per cent credit business. Nineteen of them were wholesale, 125 were manufacturing, 1 was a commission house, 7 were wholesale and manufacturing, and 1 was a manufacturing and commission house.

EXTENT OF CREDIT BUSINESS OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars				Per cent of total gross sales on credit, in weighted averages					
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1928 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	75	70,444	75,105	60,318	+6.6	-19.7	97.9	97.7	97.6	-0.2	-0.1
Manufacturing.....	240	340,407	360,468	270,255	+5.9	-25.0	98.0	98.1	98.2	+1.1	+1.1
Wholesale and manufacturing.....	23	21,746	22,283	18,738	+2.5	-15.9	98.5	98.3	93.0	-2	-5.4
All other.....	8	6,963	7,382	5,300	+6.0	-28.2	97.7	97.5	97.5	-2	0.0
Total.....	346	439,500	465,238	354,611	+5.8	-23.8	98.0	98.0	97.8	0.0	-2

LOSSES FROM BAD DEBTS

The average bad-debt loss for furniture, floor-covering, and household-furnishing establishments was 0.5 per cent of net sales in 1928, 0.6 per cent in 1929, and 0.9 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 44 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 42 firms with 3 per cent or over. The latter firms thus had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	76	0.6	77	0.6	78	1.1
Manufacturing.....	241	.5	243	.5	240	.9
Wholesale and manufacturing.....	25	.6	25	.8	25	1.0
All other.....	8	.4	9	.4	9	.7
Total.....	350	.5	354	.6	358	.9

FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS  
GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$240,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	44	6	8	10	12	5	1	2
0.2 to 0.39 per cent.....	42	5	7	8	10	9	3	1
0.4 to 0.59 per cent.....	49	1	6	18	7	14	2	1
0.6 to 0.79 per cent.....	32	4	7	12	4	3	1	1
0.8 to 0.99 per cent.....	33	3	8	8	8	3	1	2
1 to 1.19 per cent.....	24	1	5	7	5	6	-----	-----
1.2 to 1.39 per cent.....	22	2	4	7	6	3	-----	-----
1.4 to 1.59 per cent.....	19	1	4	2	6	4	1	1
1.6 to 1.79 per cent.....	11	3	0	-----	1	-----	1	1
1.8 to 1.99 per cent.....	9	1	4	2	1	-----	1	-----
2 to 2.19 per cent.....	9	3	-----	2	2	1	-----	-----
2.2 to 2.39 per cent.....	9	1	2	2	2	1	-----	1
2.4 to 2.59 per cent.....	6	2	1	2	-----	1	-----	-----
2.6 to 2.79 per cent.....	4	-----	2	2	-----	-----	-----	-----
2.8 to 2.99 per cent.....	4	-----	1	1	2	-----	-----	-----
3 per cent and over.....	42	6	10	9	5	3	-----	-----
Total.....	358	39	84	92	71	53	10	9

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for these establishments was 44.8 per cent in 1929 and 42.1 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 67 days in 1929 and 71 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$183,562 in 1929 and \$194,521 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent, in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	68	41.6	36.9	72	81	\$197,200	\$221,918
Manufacturing.....	190	45.6	43.6	66	69	186,822	189,041
Wholesale and manufacturing.....	20	44.3	41.6	68	72	186,301	197,260
All other.....	6	56.7	54.1	53	55	145,205	150,685
Total.....	284	44.8	42.1	67	71	183,562	194,521



PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	25	46.2	39.6	\$2,500,000 to \$4,999,999.....	9	47.7	47.6
\$100,000 to \$249,999.....	65	43.6	39.8	\$5,000,000 and over.....	9	43.9	41.3
\$250,000 to \$499,999.....	72	45.2	41.4				
\$500,000 to \$999,999.....	59	48.1	44.4	Total.....	284	44.8	42.1
\$1,000,000 to \$2,499,999.....	45	43.3	41.1				

RETURNS AND ALLOWANCES

Returns and allowances of furniture, floor-covering, and household-furnishing establishments were 3.3 per cent of gross sales in 1928, 3.2 per cent in 1929, and 3.9 per cent in 1930.

The wholesale establishments had 4.1 per cent in 1928, 4.2 per cent in 1929, and 4.9 per cent in 1930. The manufacturing establishments had 3.2 per cent in 1928, 3 per cent in 1929, and 3.8 per cent in 1930. The wholesale and manufacturing establishments had 2.5 per cent in 1928, 2.5 per cent in 1929, and 3 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 78 firms with less than 1 per cent. At the other extreme were 13 firms with 10 per cent or over. The latter firms thus had returns and allowances ten times as great proportionately as the former.

RETURNS AND ALLOWANCES OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	77	4.1	83	4.2	79	4.9
Manufacturing.....	240	3.2	242	3.0	245	3.8
Wholesale and manufacturing.....	23	2.5	23	2.5	23	3.0
All other.....	8	.8	9	1.0	9	1.2
Total.....	348	3.3	352	3.2	356	3.9

FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS  
GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	78	15	27	17	11	6	2	
1 to 1.9 per cent.....	63	3	18	17	13	12		
2 to 2.9 per cent.....	70	8	17	18	15	11		1
3 to 3.9 per cent.....	47	3	2	18	9	10	4	1
4 to 4.9 per cent.....	34	4	6	7	5	6	3	3
5 to 5.9 per cent.....	17	2	2	3	4	3	1	2
6 to 6.9 per cent.....	19	1	4	4	6	4		
7 to 7.9 per cent.....	6		1	2	3			
8 to 8.9 per cent.....	4		1	1	1	1		
9 to 9.9 per cent.....	5			3	1			1
10 per cent and over.....	13	3	4	2	2	1		1
Total.....	356	39	82	92	70	54	10	9

CREDIT TERMS

A wide variety of terms was employed by furniture, floor-covering, and household-furnishing establishments. Thirty-eight firms, or 10.6 per cent of the total reporting on the subject, used "2 per cent 10 days; net 30 days." This set of terms was used by more firms than any other.

CREDIT TERMS AND BAD-DEBT LOSSES OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS IN 1930

Set of terms	Estab-lishments using terms most com-monly	Per cent of total estab-lish-ments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	0	2.5	0.5
1 per cent 10 days; net 30 days.....	4	1.1	.4
1 per cent 10 days; net 60 days.....	2	.6	.7
2 per cent 10 days; net 30 days.....	38	10.0	.8
2 per cent 10 days; net 60 days.....	24	6.7	1.1
2 per cent tenth prox.; net 30 days.....	15	4.2	1.0
2 per cent tenth prox.; net 60 days.....	18	5.1	1.2
All other.....	175	49.0	.9
Combination of two or more of the above.....	72	20.2	.9
Total.....	357	100.0	.9

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

From the 242 establishments answering the question: "What proportion of your customers attempt to dictate terms?" it was found that 5 per cent of customers attempted to dictate terms. Replies from 252 firms showed that 8.2 per cent of customers attempted to take unearned discounts.

PER CENT OF CUSTOMERS OF FURNITURE, FLOOR-COVERING, AND HOUSEHOLD-FURNISHING ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS, 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
<b>TYPE OF ESTABLISHMENTS</b>				
Wholesale.....	60	3.7	59	8.6
Manufacturing.....	162	5.7	172	8.3
Wholesale and manufacturing.....	14	3.3	15	3.9
All other.....	6	5.0	6	11.7
<b>SALES VOLUME</b>				
Less than \$100,000.....	22	8.1	22	7.2
\$100,000 to \$249,999.....	59	5.0	61	10.6
\$250,000 to \$499,999.....	60	5.3	64	7.2
\$500,000 to \$999,999.....	47	6.7	50	9.0
\$1,000,000 to \$2,499,999.....	38	2.0	39	7.6
\$2,500,000 to \$4,999,999.....	9	2.4	9	3.8
\$5,000,000 and over.....	7	.9	7	2.1
Total.....	242	5.0	252	8.2

**GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS**

**EXTENT OF CREDIT BUSINESS**

The 84 gasoline, lubricating-oil, and grease establishments selling direct to retailers, which reported on the subject of extent of credit business, did 69.3 per cent of their total business on credit in 1928, 68.7 per cent on credit in 1929, and 67.4 per cent in 1930.

There were 8 of the 84 firms which did 100 per cent credit business. Five of them were wholesale, one was manufacturing, and two were wholesale and manufacturing.

**EXTENT OF CREDIT BUSINESS OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS, 1928-1930**

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	46	258,607	250,862	246,230	-3.0	-1.9	70.6	67.6	65.6	-4.3	-3.0
Manufacturing.....	14	153,687	152,604	133,585	-0.7	-12.5	71.7	67.0	63.9	-6.6	-4.6
Wholesale and manufacturing.....	24	315,728	372,499	356,080	+18.0	-4.4	67.0	70.2	70.0	+4.8	-3.0
Total.....	84	728,022	775,965	735,895	+6.6	-5.2	69.3	68.7	67.4	-9.0	-1.9

**LOSSES FROM BAD DEBTS**

The average bad-debt loss for gasoline, lubricating-oil, and grease establishments was 0.1 per cent of net sales in 1928, 0.2 per cent of net sales in 1929, and 0.2 per cent of net sales in 1930.

In grouping individual firms according to the size of their bad-debt-loss percentages for 1930, it was found that there were 29 of them with bad-debt losses less than 0.2 per cent. There were seven firms with 2 per cent or over. The latter firms thus had credit losses more than 10 times as great proportionately as the former.

**BAD-DEBT LOSSES OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS, 1928-1930**

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	46	0.3	52	0.2	56	0.2
Manufacturing.....	15	.2	17	.3	18	.2
Wholesale and manufacturing.....	24	.1	24	.1	26	.2
All other.....			2	1.5	3	1.3
Total.....	85	.1	95	.2	103	.2

**GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930**

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)							
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10,000,000 to \$24,999,999	\$25,000,000 and over
Less than 0.2 per cent.....	29	3	1		2	3	7	6	7
0.2 to 0.39 per cent....	23		3	2	4	6	1	2	5
0.4 to 0.59 per cent....	20	1	1	4	3	7	2	2	
0.6 to 0.79 per cent....	7		1	1	2	2	1		
0.8 to 0.99 per cent....	6		1	3				1	
1 to 1.19 per cent.....	2			1		1			
1.2 to 1.39 per cent....	5		1	2		2			
1.4 to 1.59 per cent....	2	1			1				
1.6 to 1.79 per cent....	2	1		1					
2 per cent and over.....	7		3	1	2				
Total.....	103	7	11	15	14	22	11	11	12

**COLLECTION PERCENTAGES**

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for gasoline, lubricating-oil, and grease establishments was 71.4 per cent in 1929 and 68.5 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 42 days in 1929 and 44 days in 1930.

The collection percentages also indicate that the amount of accounts receivable outstanding at a given time per \$1,000,000 of net sales was \$115,068 in 1929 and \$120,548 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent, in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time, per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
		Wholesale.....	30	74.3	72.4	40	41
Manufacturing.....	11	71.0	68.9	42	44	115,068	120,548
Wholesale and manufacturing.....	16	70.6	66.9	42	45	115,068	123,288
Total.....	57	71.4	68.5	42	44	115,068	120,548

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	4	44.7	41.0	\$5,000,000 to \$9,999,999.....	7	60.1	61.9
\$100,000 to \$249,999.....	7	58.0	56.2	\$10,000,000 to \$24,999,999.....	8	76.7	69.1
\$250,000 to \$499,999.....	9	58.7	58.4	\$25,000,000 and over.....	6	72.9	71.4
\$500,000 to \$999,999.....	8	56.4	50.7	Total.....	57	71.4	68.5
\$1,000,000 to \$4,999,999.....	7	72.0	66.2				

RETURNS AND ALLOWANCES

Returns and allowances of gasoline, lubricating-oil, and grease establishments were 0.6 per cent of gross sales in 1928, 0.8 per cent in 1929, and 0.7 per cent in 1930.

The wholesale establishments had 0.6 per cent in 1928, 0.6 per cent in 1929, and 0.6 per cent in 1930. The manufacturing establishments had 0.3 per cent in 1928, 0.3 per cent in 1929, and 0.6 per cent in 1930. The wholesale and manufacturing establishments had 0.7 per cent in 1928, 1.1 per cent in 1929, and 0.7 per cent in 1930.

In grouping firms according to size of their returns and allowances percentages for 1930, it was found that there were 46 firms with less than 0.5 per cent. At the other extreme were six firms with 5 per cent or over—ten times as great proportionately as the former firms.

RETURNS AND ALLOWANCES OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
	Wholesale.....	46	0.6	51	0.6	55
Manufacturing.....	14	.3	16	.3	17	.6
Wholesale and manufacturing.....	24	.7	24	1.1	26	.7
All other.....			2	6.2	3	3.8
Total.....	84	.6	93	.8	101	.7

**GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930**

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)							
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 to \$9,999,999	\$10,000,000 to \$24,999,999	\$25,000,000 and over
Less than 0.5 per cent.	46	2	5	8	4	6	7	7	7
0.5 to 0.99 per cent.	14	1	1	1	3	3	1	2	3
1 to 1.49 per cent.	10	1	1	1	3	4	1	1	1
1.5 to 1.99 per cent.	6	1	1	1	2	2	1	1	1
2 to 2.49 per cent.	6	1	1	1	2	2	1	1	1
2.5 to 2.99 per cent.	4	1	1	1	1	1	1	1	1
3 to 3.49 per cent.	2	1	1	1	1	1	1	1	1
3.5 to 3.99 per cent.	1	1	1	1	1	1	1	1	1
4 to 4.49 per cent.	4	1	3	1	1	1	1	1	1
4.5 to 4.99 per cent.	2	1	1	1	1	1	1	1	1
5 per cent and over	6	1	1	3	1	1	1	1	1
Total	101	7	11	15	14	21	10	11	12

**CREDIT TERMS**

Twenty-one gasoline, lubricating-oil, and grease establishments, or 35.6 per cent of the total reporting on the subject of credit terms, used "1 per cent 10 days; net 30 days." Fourteen firms, or 23.7 per cent of the total, used "no cash discount; net 30 days." Twelve firms, or 20.3 per cent of the total, used "2 per cent 10 days; net 30 days."

**CREDIT TERMS AND BAD-DEBT LOSSES OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS IN 1930**

Set of terms	Establishments using terms most commonly	Per cent of total establishments	Ratio of bad debts to total sales
No cash discount; net 30 days	14	23.7	0.2
1 per cent 10 days; net 30 days	21	35.6	.2
2 per cent 10 days; net 30 days	12	20.3	.4
2 per cent tenth prox.; net 30 days	1	1.6	.8
All other	11	18.7	.1
Total	59	100.0	.2

**CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS**

Forty-eight gasoline, lubricating-oil, and grease establishments reported on the subject of customers attempting to dictate terms. The replies showed that 3.3 per cent of customers attempted to dictate terms.

Forty-two firms reported on the subject of customers attempting to take unearned discounts. The replies showed that 5.7 per cent of customers attempted to take unearned discounts. Some firms apparently had a great deal of trouble with the practice. The four firms with annual sales from \$100,000 to \$249,999 had the high average of 22.8 per cent.

PER CENT OF CUSTOMERS OF GASOLINE, LUBRICATING-OIL, AND GREASE ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
<b>TYPE OF ESTABLISHMENTS</b>				
Wholesale.....	25	2.1	21	6.7
Manufacturing.....	9	2.8	7	2.3
Wholesale and manufacturing.....	14	5.7	14	6.0
<b>SALES VOLUME</b>				
Less than \$100,000.....	4	2.3	3	8.0
\$100,000 to \$249,999.....	6	3.8	4	22.8
\$250,000 to \$499,999.....	7	2.0	7	3.0
\$500,000 to \$999,999.....	8	4.5	6	3.8
\$1,000,000 to \$4,999,999.....	7	8.7	6	.8
\$5,000,000 to \$9,999,999.....	6	2.2	6	.8
\$10,000,000 to \$24,999,999.....	8	1.0	6	.8
\$25,000,000 and over.....	4	.8	4	16.5
Total.....	48	3.3	42	5.7

HARDWARE AND STOVE ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 244 hardware and stove establishments selling direct to retailers, which reported on the subject of extent of credit business, did 94.4 per cent of total business on credit in 1928, 94.3 per cent on credit in 1929, and 94.4 per cent in 1930. There were 44 of the 244 firms which did 100 per cent credit business. Nine of them were wholesale, 33 were manufacturing, and 2 were wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF HARDWARE AND STOVE ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	146	186,754	189,376	155,813	+1.4	-17.7	94.7	94.9	94.6	+0.2	-0.3
Manufacturing.....	83	101,885	104,408	80,964	+2.5	-22.5	95.2	95.0	96.2	-.2	+1.3
Wholesale and manufacturing.....	12	9,256	9,224	7,809	-0.4	-15.4	81.6	78.2	75.5	-4.2	-3.5
All other.....	3	2,180	2,227	1,659	+2.2	-25.5	81.3	81.3	79.5	0	-2.2
Total.....	244	300,075	305,235	246,245	+1.7	-19.3	94.4	94.3	94.4	-.1	+1

## LOSSES FROM BAD DEBTS

The average bad-debt loss for hardware and stove establishments reporting on the subject was 0.5 per cent of net sales in 1928, 0.6 per cent in 1929, and 0.8 per cent in 1930.

In grouping firms according to the size of their bad-debt loss percentages for 1930, it was found that 25 of them had bad-debt losses less than 0.2 per cent. At the other extreme were 24 firms with 2 per cent or over. The latter firms thus had credit losses more than ten times as great proportionately as the former.

## BAD DEBT LOSSES OF HARDWARE AND STOVE ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	146	0.5	148	0.6	160	0.8
Manufacturing.....	84	.5	85	.5	85	.7
Wholesale and manufacturing.....	12	.7	12	.6	12	.7
All other.....	3	.8	3	.9	3	1.3
Total.....	245	.5	248	.6	250	.8

## HARDWARE AND STOVE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	25	3	7	4	5	4	2	.....
0.2 to 0.39 per cent.....	37	2	5	8	11	6	4	1
0.4 to 0.59 per cent.....	44	4	4	8	15	9	3	1
0.6 to 0.79 per cent.....	35	1	3	10	10	8	3	.....
0.8 to 0.99 per cent.....	23	1	4	1	7	5	2	3
1 to 1.19 per cent.....	23	3	1	7	6	4	1	1
1.2 to 1.39 per cent.....	12	.....	.....	5	3	2	1	1
1.4 to 1.59 per cent.....	13	.....	1	5	6	1	.....	.....
1.6 to 1.79 per cent.....	9	.....	3	2	2	2	.....	.....
1.8 to 1.99 per cent.....	5	.....	2	1	2	.....	.....	.....
2 per cent and over.....	24	3	7	6	3	4	1	.....
Total.....	250	17	37	57	70	45	17	7

## COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for hardware and stove establishments was 44.2 per cent in 1929 and 40.2 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 68 days in 1929 and 75 days in 1930.

The collection percentages also indicate that the amount of accounts receivable that were outstanding at a given time per \$1,000,000 of net sales was \$186,301 in 1929 and \$205,479 in 1930.



PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF HARDWARE AND STOVE ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time, per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	136	44.3	40.1	68	75	\$186,301	\$205,470
Manufacturing.....	59	43.6	40.2	69	75	189,041	205,470
Wholesale and manufacturing.....	8	52.1	47.2	58	64	158,904	175,342
All other.....	2	35.4	29.8	85	101	232,877	276,712
<b>Total.....</b>	<b>205</b>	<b>44.2</b>	<b>40.2</b>	<b>68</b>	<b>75</b>	<b>186,301</b>	<b>205,479</b>

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF HARDWARE AND STOVE ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	7	40.0	38.7	\$2,500,000 to \$4,999,999.....	16	46.5	40.9
\$100,000 to \$249,999.....	29	39.1	36.6	\$5,000,000 and over.....	5	43.8	39.3
\$250,000 to \$499,999.....	47	41.8	37.3				
\$500,000 to \$999,999.....	61	45.0	41.6	<b>Total.....</b>	<b>205</b>	<b>44.2</b>	<b>40.2</b>
\$1,000,000 to \$2,499,999.....	40	43.0	40.2				

RETURNS AND ALLOWANCES

Returns and allowances of hardware and stove establishments were 3.5 per cent of gross sales in 1928, 3.6 per cent of gross sales in 1929, and 3.8 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 27 firms with less than 1 per cent. At the other extreme were four firms with 10 per cent or over.

RETURNS AND ALLOWANCES OF HARDWARE AND STOVE ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	146	3.2	148	3.4	149	3.0
Manufacturing.....	83	4.1	84	3.9	84	4.3
Wholesale and manufacturing.....	12	2.3	12	3.0	12	2.6
All other.....	3	6.5	3	7.4	3	5.1
<b>Total.....</b>	<b>244</b>	<b>3.5</b>	<b>247</b>	<b>3.6</b>	<b>248</b>	<b>3.8</b>

**HARDWARE AND STOVE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930**

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	27	6	8	2	7	2	2	-----
1.0 to 1.9 per cent.....	34	3	8	13	9	-----	-----	-----
2 to 2.9 per cent.....	55	6	10	15	12	8	4	-----
3 to 3.9 per cent.....	53	-----	2	7	23	13	5	3
4 to 4.9 per cent.....	33	2	3	5	7	12	3	1
5 to 5.9 per cent.....	23	-----	2	4	8	6	2	1
6 to 6.9 per cent.....	10	-----	-----	4	2	2	1	1
7 to 7.9 per cent.....	4	-----	-----	3	1	-----	-----	-----
8 to 8.9 per cent.....	3	-----	-----	1	1	1	-----	-----
9 to 9.9 per cent.....	2	-----	-----	1	-----	-----	1	-----
10 per cent and over.....	4	-----	2	1	-----	1	-----	-----
<b>Total.....</b>	<b>248</b>	<b>17</b>	<b>35</b>	<b>50</b>	<b>70</b>	<b>45</b>	<b>19</b>	<b>6</b>

**CREDIT TERMS**

Sixty-two hardware and stove establishments or 25.3 per cent of the total reporting on the subject of credit terms used "2 per cent 10 days; net 30 days." Thirty-four firms, or 13.9 per cent of the total, used "2 per cent 10 days; net 60 days." Twenty firms, or 8.2 per cent of the total, used "2 per cent tenth prox.; net 30 days." Nineteen firms, or 7.8 per cent of the total, used "2 per cent tenth prox.; net 60 days."

**CREDIT TERMS AND BAD-DEBT LOSSES OF HARDWARE AND STOVE ESTABLISHMENTS IN 1930**

Set of terms	Estab-lishments using terms most com-monly	Per cent of total establish-ments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	4	1.6	0.3
No cash discount; net 60 days.....	2	.8	2.2
1 per cent 10 days; net 30 days.....	5	2.0	.7
2 per cent 10 days; net 30 days.....	62	25.3	.8
2 per cent 10 days; net 60 days.....	34	13.9	.6
2 per cent tenth prox.; net 30 days.....	20	8.2	.8
2 per cent tenth prox.; net 60 days.....	19	7.8	1.0
All other.....	14	5.7	1.2
Combination of 2 or more of the above.....	85	34.7	.9
<b>Total.....</b>	<b>245</b>	<b>100.0</b>	<b>.8</b>

**CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS**

One hundred and seventy-two hardware and stove establishments reported on the subject of customers attempting to dictate terms. The replies showed that 3.1 per cent of customers attempted to dictate terms.

One hundred and seventy-five firms reported on the subject of customers attempting to take unearned discounts. The replies showed that 3.3 per cent of customers attempted to take unearned discounts.

PER CENT OF CUSTOMERS OF HARDWARE AND STOVE ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
<b>TYPE OF ESTABLISHMENTS</b>				
Wholesale.....	113	2.9	117	2.6
Manufacturing.....	50	3.9	51	4.8
Wholesale and manufacturing.....	8	.6	6	5.8
All other.....	1	1.0	1	1.0
<b>SALES VOLUME</b>				
Less than \$100,000.....	6	1.3	6	5.5
\$100,000 to \$249,999.....	27	4.9	26	4.4
\$250,000 to \$499,999.....	40	2.9	41	3.2
\$500,000 to \$999,999.....	50	3.2	51	4.4
\$1,000,000 to \$2,499,999.....	31	2.6	33	1.8
\$2,500,000 to \$4,999,999.....	14	1.9	13	1.2
\$5,000,000 and over.....	4	.3	5	.6
Total.....	172	3.1	175	3.3

HEATING AND PLUMBING SUPPLY ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 207 heating and plumbing supply establishments selling direct to retailers and reporting on the subject of extent of credit business for the years 1928, 1929, and 1930, did 97.2 per cent of total business on credit in 1928, 97 per cent in 1929, and 96.6 per cent in 1930.

There were 26 of the 207 firms which did 100 per cent credit business. Nine of them were wholesale and 17 were manufacturing.

EXTENT OF CREDIT BUSINESS OF HEATING AND PLUMBING SUPPLY ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars				Per cent of total gross sales or credit, in weighted averages					
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	128	142, 116	146, 743	115, 453	+3.3	-21.3	95.1	94.8	94.3	-0.3	-0.5
Manufacturing.....	58	166, 061	168, 442	129, 274	+5.2	-23.3	97.9	97.8	97.7	-1	-1
Wholesale and manufacturing.....	16	89, 743	82, 472	50, 154	-8.1	-39.2	99.0	98.9	98.7	-1	-2
All other.....	5	3, 158	3, 487	2, 669	+10.4	-23.5	98.0	98.2	97.9	+2	-3
Total.....	207	395, 078	401, 144	297, 550	+1.5	-25.8	97.2	97.0	96.6	-2	-4

LOSSES FROM BAD DEBTS

The average bad-debt loss for the heating and plumbing supply establishments reporting on the subject was 0.6 per cent of net sales in 1928, 0.8 per cent in 1929, and 0.9 per cent in 1930.

The firms classifying themselves as wholesale had an average bad-debt loss of 0.8 per cent in 1928, 1 per cent in 1929, and 1.1 per

cent in 1930. Those classifying themselves as manufacturing had 0.6 per cent in 1928, 0.5 per cent in 1929, and 0.7 per cent in 1930. Those classifying themselves as wholesale and manufacturing had 0.2 per cent in 1928, 0.7 per cent in 1929, and 0.7 per cent in 1930.

In grouping the individual firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 29 of them with bad-debt losses less than 0.2 per cent. At the other extreme were 19 firms with 3 per cent or over. The latter firms thus had credit losses more than fifteen times as great proportionately as the former.

#### BAD-DEBT LOSSES OF HEATING AND PLUMBING ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	126	0.8	132	1.0	136	1.1
Manufacturing.....	57	.6	57	.5	58	.7
Wholesale and manufacturing.....	15	.2	15	.7	15	.7
All other.....	4	.6	6	.6	6	.4
<b>Total.....</b>	<b>202</b>	<b>.6</b>	<b>210</b>	<b>.8</b>	<b>215</b>	<b>.9</b>

#### HEATING AND PLUMBING SUPPLY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 0.2 per cent.....	29	2	12	4	3	5	3	.....
0.2 to 0.39 per cent.....	27	1	8	3	8	6	1	.....
0.4 to 0.59 per cent.....	39	2	8	9	9	7	1	3
0.6 to 0.79 per cent.....	17	1	2	8	2	.....	2	2
0.8 to 0.99 per cent.....	17	1	3	4	5	1	1	2
1 to 1.19 per cent.....	13	2	1	5	2	3	.....	.....
1.2 to 1.39 per cent.....	12	.....	2	3	4	2	1	.....
1.4 to 1.59 per cent.....	6	.....	.....	2	.....	4	.....	.....
1.6 to 1.79 per cent.....	10	.....	1	3	4	2	.....	.....
1.8 to 1.99 per cent.....	8	2	1	2	2	.....	1	.....
2 to 2.19 per cent.....	7	2	4	.....	1	.....	.....	.....
2.2 to 2.39 per cent.....	3	1	.....	.....	1	1	.....	.....
2.4 to 2.59 per cent.....	3	.....	.....	1	1	.....	1	.....
2.6 to 2.79 per cent.....	4	1	2	.....	.....	1	.....	.....
2.8 to 2.99 per cent.....	1	.....	1	.....	.....	.....	.....	.....
3 per cent and over.....	19	1	3	6	7	2	.....	.....
<b>Total.....</b>	<b>215</b>	<b>10</b>	<b>48</b>	<b>50</b>	<b>49</b>	<b>34</b>	<b>11</b>	<b>7</b>

#### COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for heating and plumbing supply establishments was 49.9 per cent in 1929 and 49.2 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding was 60 days in 1929 and 61 days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$164,384 in 1929 and \$167,123 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF HEATING AND PLUMBING SUPPLY ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent, in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time, per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	114	49.4	47.9	61	63	\$167,123	\$172,603
Manufacturing.....	38	52.6	53.9	57	56	156,164	153,425
Wholesale and manufacturing.....	13	47.7	46.3	63	65	172,603	178,082
All other.....	4	39.9	39.0	75	77	205,479	210,959
Total.....	169	49.9	49.2	60	61	164,384	167,123

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF HEATING AND PLUMBING ESTABLISHMENTS IN 1929 AND 1930 GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year		Sales volume	Number of establishments	Year	
		1929	1930			1929	1930
Less than \$100,000.....	5	30.3	31.3	\$2,500,000 to \$4,999,999....	11	50.5	57.4
\$100,000 to \$249,999.....	30	38.8	36.9	\$5,000,000 and over.....	4	52.4	52.1
\$250,000 to \$499,999.....	42	40.1	37.0				
\$500,000 to \$999,999.....	46	47.2	44.1	Total.....	169	49.9	49.2
\$1,000,000 to \$2,499,999....	31	48.2	50.1				

RETURNS AND ALLOWANCES

Returns and allowances of heating and plumbing supply establishments were 5.5 per cent of gross sales in 1928, 5.3 per cent in 1929, and 5.3 per cent in 1930.

The wholesale establishments had 3.9 per cent in 1928, 4 per cent in 1929, and 4 per cent in 1930. The manufacturing had 4.4 per cent in 1928, 3.4 per cent in 1929, and 3.7 per cent in 1930. The wholesale and manufacturing firms had 10.3 per cent in 1928, 11.5 per cent in 1929, and 12.5 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 34 firms with less than 1 per cent. At the other extreme were nine firms with 10 per cent or over.

**RETURNS AND ALLOWANCES OF HEATING AND PLUMBING SUPPLY ESTABLISHMENTS, 1928-1930**

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	129	3.9	133	4.0	137	4.0
Manufacturing.....	57	4.4	57	3.4	58	3.7
Wholesale and manufacturing.....	16	10.3	16	11.5	16	12.5
All other.....	5	2.6	6	2.8	6	4.3
<b>Total.....</b>	<b>207</b>	<b>5.5</b>	<b>212</b>	<b>5.3</b>	<b>217</b>	<b>5.3</b>

**HEATING AND PLUMBING SUPPLY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930**

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)						
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and over
Less than 1 per cent.....	34	2	13	7	3	6	1	2
1 to 1.9 per cent.....	33	7	14	5	3	3	1	1
2 to 2.9 per cent.....	28	2	6	8	9	2	1	1
3 to 3.9 per cent.....	38	1	8	13	8	4	3	1
4 to 4.9 per cent.....	31	1	2	6	13	7	2	2
5 to 5.9 per cent.....	19	2	1	2	4	8	1	1
6 to 6.9 per cent.....	12	-----	-----	3	6	2	-----	1
7 to 7.9 per cent.....	6	-----	1	2	2	1	-----	-----
8 to 8.9 per cent.....	4	-----	-----	-----	1	1	-----	1
9 to 9.9 per cent.....	3	-----	-----	1	1	-----	1	-----
10 per cent and over.....	9	1	3	3	1	-----	-----	1
<b>Total.....</b>	<b>217</b>	<b>16</b>	<b>48</b>	<b>50</b>	<b>51</b>	<b>34</b>	<b>11</b>	<b>7</b>

**CREDIT TERMS**

Forty-eight heating and plumbing supply establishments, or 23 per cent of the total reporting on the subject of credit terms, used "2 per cent tenth prox.; net 30 days." Thirty-four firms, or 16.3 per cent of the total, used "2 per cent tenth prox.; net 60 days." Thirty-four firms used "2 per cent 10 days; net 30 days." Eleven firms, or 5.3 per cent of the total, used "2 per cent 10 days; net 60 days."

**CREDIT TERMS AND LOSSES FROM BAD DEBTS OF HEATING AND PLUMBING SUPPLY ESTABLISHMENTS IN 1930**

Set of terms	Estab-lish-ments using terms most commonly	Per cent of total establishments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	6	2.9	0.6
1 per cent 10 days; net 30 days.....	6	2.9	.5
2 per cent 10 days; net 30 days.....	34	16.3	.7
2 per cent 10 days; net 60 days.....	11	5.3	1.0
2 per cent tenth prox.; net 30 days.....	48	23.0	.7
2 per cent tenth prox.; net 60 days.....	34	16.3	.9
All other.....	17	8.0	.9
Combination of 2 or more of the above.....	53	25.3	1.0
<b>Total.....</b>	<b>209</b>	<b>100.0</b>	<b>.9</b>

## CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

One hundred and forty-eight heating and plumbing supply establishments reported on the subject of customers attempting to dictate terms. The replies show that 5 per cent of customers attempted to dictate terms.

One hundred and fifty-one firms reported on the subject of customers attempting to take unearned discounts. The replies show that 5.3 per cent of customers attempted to take unearned discounts.

## PER CENT OF CUSTOMERS OF HEATING AND PLUMBING SUPPLY ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
<b>TYPE OF ESTABLISHMENTS</b>				
Wholesale.....	99	4.4	104	5.9
Manufacturing.....	34	7.9	32	5.1
Wholesale and manufacturing.....	11	3.6	11	2.1
All other.....	4	.8	4	.5
<b>SALES VOLUME</b>				
Less than \$100,000.....	5	7.2	5	.8
\$100,000 to \$249,999.....	26	1.8	26	8.5
\$250,000 to \$499,999.....	38	12.2	38	8.2
\$500,000 to \$999,999.....	40	3.3	41	3.7
\$1,000,000 to \$2,499,999.....	26	1.4	28	2.8
\$2,500,000 to \$4,999,999.....	10	2.8	10	3.7
\$5,000,000 and over.....	3	.3	3	.7
Total.....	148	5.0	151	5.3

## JEWELRY ESTABLISHMENTS

## EXTENT OF CREDIT BUSINESS

The 71 jewelry establishments reporting on the subject of extent of credit business for the years 1928, 1929, and 1930 did 91.5 per cent of total business on credit in 1928, 91.9 per cent in 1929, and 91.5 per cent in 1930.

Twenty-two of the 71 firms did 100 per cent credit business. Six of them were wholesale, 14 were manufacturing, and 2 were wholesale and manufacturing.

## EXTENT OF CREDIT BUSINESS OF JEWELRY ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	40	24,378	27,048	20,764	+11.0	-23.2	86.2	87.6	87.2	+1.6	-0.5
Manufacturing.....	25	16,033	15,608	11,511	-2.7	-26.3	90.2	90.3	99.3	+1.1	0
Wholesale and manufacturing.....	6	2,908	2,872	2,028	-1.2	-20.4	94.7	94.9	94.2	+2	-7
Total.....	71	43,319	45,528	34,303	+5.1	-24.7	91.5	91.9	91.5	+4	-4

## LOSSES FROM BAD DEBTS

The average bad-debt loss for jewelry establishments reporting on the subject was 0.7 per cent of net sales in 1928, 0.9 per cent in 1929, and 1.5 per cent in 1930.

The firms classifying themselves as wholesale had an average bad-debt loss of 0.8 per cent in 1928, 1.2 per cent in 1929, and 1.7 per cent in 1930. Those classifying themselves as manufacturing had an average of 0.5 per cent in 1928, 0.5 per cent in 1929, and 1 per cent in 1930. Those classifying themselves as wholesale and manufacturing had an average of 1.2 per cent in 1928, 1.3 per cent in 1929, and 1.6 per cent in 1930.

In grouping the firms according to the size of their bad-debt loss percentages for 1930, it was found that there were 15 of them with less than 0.5 per cent. There were eight with 4 per cent or over. The latter firms had credit losses more than eight times as great proportionately as the former.

## BAD-DEBT LOSSES OF JEWELRY ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	41	0.8	41	1.2	41	1.7
Manufacturing.....	25	.5	27	.5	27	1.0
Wholesale and manufacturing.....	7	1.2	7	1.3	7	1.6
Total.....	73	.7	75	.9	75	1.5



JEWELRY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)			
		Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 0.5 per cent.....	15	6	2	5	2
0.5 to 0.99 per cent.....	12	2	5	5	-
1 to 1.49 per cent.....	12	2	7	1	2
1.5 to 1.99 per cent.....	7	1	3	1	2
2 to 2.49 per cent.....	7	3	1	2	1
2.5 to 2.99 per cent.....	5	1	2	1	1
3 to 3.49 per cent.....	5	4	-	-	1
3.5 to 3.99 per cent.....	4	2	2	-	-
4 per cent and over.....	8	4	4	-	-
Total.....	75	25	26	15	9

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for jewelry establishments was 30.2 per cent in 1929 and 29.1 per cent in 1930.

These figures indicate that the average length of time that accounts receivable were outstanding was 99 days in 1929 and 103 days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$271,233 in 1929 and \$282,192 in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF JEWELRY ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	32	25.7	25.5	117	118	\$320,548	\$323,288
Manufacturing.....	19	41.8	40.4	72	74	197,260	202,740
Wholesale and manufacturing.....	4	23.2	20.8	129	144	353,425	394,521
Total.....	55	30.2	29.1	99	103	271,233	282,192

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF JEWELRY ESTABLISHMENTS, 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year	
		1929	1930
Less than \$100,000.....	15	28.7	23.8
\$100,000 to \$499,999.....	20	25.2	24.0
\$500,000 to \$999,999.....	12	30.4	35.3
\$1,000,000 and over.....	8	29.0	28.2
Total.....	55	30.2	29.1

## RETURNS AND ALLOWANCES

Returns and allowances of jewelry establishments reporting on the subject were 6.2 per cent of gross sales in 1928, 7.4 per cent in 1929, and 9.2 per cent in 1930.

The wholesale establishments had 7.6 per cent in 1928, 9.3 per cent in 1929, and 11.1 per cent in 1930. The manufacturing establishments had 4.1 per cent in 1928, 4.5 per cent in 1929, and 6.2 per cent in 1930. The wholesale and manufacturing establishments had 4.5 per cent in 1928, 5 per cent in 1929, and 6.1 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were 16 firms with less than 1 per cent. There were 10 firms with 10 per cent or over.

## RETURNS AND ALLOWANCES OF JEWELRY ESTABLISHMENTS, 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	41	7.6	40	9.3	40	11.1
Manufacturing.....	25	4.1	27	4.5	27	6.2
Wholesale and manufacturing.....	7	4.5	7	5.0	7	6.1
Total.....	73	6.2	74	7.4	74	9.2

## JEWELRY ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)			
		Less than \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 1 per cent.....	16	10	5	1	.....
1 to 1.9 per cent.....	4	1	2	.....	1
2 to 2.9 per cent.....	5	3	1	1	.....
3 to 3.9 per cent.....	8	1	6	1	.....
4 to 4.9 per cent.....	9	4	2	2	1
5 to 5.9 per cent.....	5	3	2	.....	.....
6 to 6.9 per cent.....	2	.....	.....	1	1
7 to 7.9 per cent.....	5	.....	2	2	1
8 to 8.9 per cent.....	5	.....	1	2	2
9 to 9.9 per cent.....	5	.....	3	1	1
10 per cent and over.....	10	2	2	4	2
Total.....	74	24	26	15	9

## CREDIT TERMS

Nine jewelry establishments, or 12 per cent of the total reporting on the subject, used "2 per cent 10 days; net 30 days." More firms used this set of terms than any other. There were 41 firms, or 54.8 per cent of the total, which most commonly used terms other than those listed on the questionnaire. On the whole the terms used by these firms allowed larger cash discounts or longer periods in which to pay than the sets of terms listed.

CREDIT TERMS AND BAD-DEBT LOSSES OF JEWELRY ESTABLISHMENTS IN 1930

Set of terms	Estab- lish- ments using terms most com- monly	Per cent of total estab- lish- ments	Ratio of bad debts to total sales
No cash discount; net 30 days.....	4	5.3	1.4
No cash discount; net 60 days.....	1	1.3	1.0
2 per cent 10 days; net 30 days.....	9	12.0	1.4
2 per cent 10 days; net 60 days.....	1	1.3	.5
2 per cent tenth prox.; net 30 days.....	1	1.3	.1
2 per cent tenth prox.; net 60 days.....	1	1.3	.5
All other.....	41	54.8	2.1
Combination of 2 or more of the above.....	17	22.7	.9
Total.....	75	100.0	1.5

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Forty-four jewelry establishments reported on the subject of customers attempting to dictate terms. The replies show that 8.1 per cent of customers attempted to dictate terms.

Forty-four firms reported on the subject of customers attempting to take unearned discounts. The replies show that 18 per cent attempted to take unearned discounts. The 12 firms in the size group with annual sales less than \$100,000 had the high average of 34.2 per cent.

PER CENT OF CUSTOMERS OF JEWELRY ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS, 1930

[Percentages are simple averages, i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dic- tate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of cus- tomers	Firms reporting	Per cent of cus- tomers
<b>TYPE OF ESTABLISHMENTS</b>				
Wholesale.....	27	7.5	26	20.7
Manufacturing.....	14	11.0	15	16.4
Wholesale and manufacturing.....	3	.3	3	2.0
<b>SALES VOLUME</b>				
Less than \$100,000.....	12	8.6	12	34.2
\$100,000 to \$499,999.....	17	8.6	16	19.1
\$500,000 to \$999,999.....	9	6.1	10	3.1
\$1,000,000 and over.....	6	8.8	6	7.3
Total.....	44	8.1	44	18.0

LEATHER AND LUGGAGE ESTABLISHMENTS

EXTENT OF CREDIT BUSINESS

The 43 leather and luggage establishments selling direct to retailers reporting on the subject of extent of credit business for the years 1928, 1929, and 1930, did 98.4 per cent of total business on credit in 1928, 98.5 per cent in 1929, and 98.1 per cent in 1930.

There were 11 of the 43 firms which did 100 per cent credit business. Four of them were wholesale, six were manufacturing, and one was wholesale and manufacturing.

EXTENT OF CREDIT BUSINESS OF LEATHER AND LUGGAGE ESTABLISHMENTS, 1928-1930

Type of business	Number of establishments	Total net sales, in thousands of dollars					Per cent of total gross sales on credit, in weighted averages				
		1928	1929	1930	Per cent change		1928	1929	1930	Per cent change	
					1929 over 1928	1930 over 1929				1929 over 1928	1930 over 1929
Wholesale.....	16	25,864	27,388	20,469	+5.9	-25.3	99.1	99.2	99.0	+0.1	-0.2
Manufacturing.....	22	19,901	20,227	14,379	+1.6	-28.9	98.0	98.2	97.4	+ .2	- .8
Wholesale and manufacturing.....	5	1,948	1,844	1,427	-5.3	-22.6	92.9	91.7	91.3	-1.3	- .4
Total.....	43	47,713	49,459	36,275	+3.7	-26.7	98.4	98.5	98.1	+ .1	- .4

LOSSES FROM BAD DEBTS

The average bad-debt loss for leather and luggage establishments reporting on the subject was 0.3 per cent of net sales in 1928, 0.3 per cent in 1929, and 0.5 per cent in 1930.

The firms classifying themselves as wholesale had an average bad-debt loss of 0.2 per cent in 1928, 0.2 per cent in 1929, and 0.4 per cent in 1930. Those classifying themselves as manufacturing had an average of 0.3 per cent in 1928, 0.4 per cent in 1929, and 0.6 per cent in 1930. Those classifying themselves as wholesale and manufacturing had an average of 1.9 per cent in 1928, 0.8 per cent in 1929, and 0.9 per cent in 1930.

In grouping firms according to the size of their bad-debt loss percentages for 1930, it was found that there were eight of them with less than 0.2 per cent. At the other extreme were three with 3 per cent or more. The latter firms had credit losses more than fifteen times as great proportionately as the former.

BAD-DEBT LOSSES OF LEATHER AND LUGGAGE ESTABLISHMENTS, 1928-1930

Type of business	Ratio of bad debts to total net sales—weighted averages					
	Estab-lish-ments	1928	Estab-lish-ments	1929	Estab-lish-ments	1930
Wholesale.....	17	0.2	18	*0.2	19	0.4
Manufacturing.....	23	.3	24	.4	25	.6
Wholesale and manufacturing.....	5	1.9	5	.8	5	.9
All others.....	1	.2	1	.4	1	.008
Total.....	46	.3	48	.3	50	.5

LEATHER AND LUGGAGE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF BAD-DEBT LOSSES, 1930

[Credit loss computed by taking the ratio of bad debts to total net sales]

Ratio of loss	Total stores	Size group (sales volume)				
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 0.2 per cent.....	8	3	2	1		2
0.2 to 0.39 per cent.....	7	1	2	1	1	2
0.4 to 0.59 per cent.....	7	2	3		1	1
0.6 to 0.79 per cent.....	4		1	1	1	1
0.8 to 0.99 per cent.....	2		1			1
1 to 1.19 per cent.....	5	1	3			1
1.2 to 1.39 per cent.....	4	1		2	1	
1.4 to 1.59 per cent.....	4		1	3		
1.6 to 1.79 per cent.....	1	1				
2 to 2.19 per cent.....	3	2	1			
2.2 to 2.39 per cent.....	1		1			
2.6 to 2.79 per cent.....	1	1				
3 per cent and over.....	3		1	1	1	
Total.....	50	12	16	9	5	8

COLLECTION PERCENTAGES

Collection percentages were computed by dividing the outstanding balance as of the first of the month into collections made during that month. The weighted average collection percentage for leather and luggage establishments was 51.4 per cent in 1929 and 51.3 per cent in 1930.

These figures indicate that the average length of time accounts receivable were outstanding; that is, the average length of time wholesalers and manufacturers had their dollars tied up in accounts receivable was 58 days in 1929 and the same number of days in 1930.

The collection percentages also indicate that the volume of outstandings at a given time per \$1,000,000 of net sales was \$158,904 in 1929 and the same amount in 1930.

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF LEATHER AND LUGGAGE ESTABLISHMENTS, BY TYPE OF FIRM, 1929 AND 1930

Classification	Number of establishments	Per cent in weighted averages		Average length of time accounts outstanding, in days		Accounts receivable at a given time per \$1,000,000 of net sales	
		1929	1930	1929	1930	1929	1930
Wholesale.....	13	62.1	64.2	48	47	\$131,507	\$128,767
Manufacturing.....	15	34.5	32.8	87	91	238,356	240,315
Wholesale and manufacturing.....	5	34.1	31.7	88	95	241,096	260,274
Total.....	33	51.4	51.3	58	58	158,904	158,904

PER CENT COLLECTED MONTHLY ON CREDIT ACCOUNTS OF LEATHER AND LUGGAGE ESTABLISHMENTS IN 1929 AND 1930, GROUPED ACCORDING TO TOTAL VOLUME OF SALES

Sales volume	Number of establishments	Year	
		1929	1930
Less than \$100,000.....	6	38.0	33.6
\$100,000 to \$249,999.....	10	41.4	35.0
\$250,000 to \$499,999.....	7	43.1	38.2
\$500,000 to \$999,999.....	3	30.9	28.4
\$1,000,000 and over.....	7	56.8	60.3
Total.....	33	51.4	51.3

RETURNS AND ALLOWANCES

Returns and allowances of leather and luggage establishments were 4.2 per cent of gross sales in 1928, 4.6 per cent in 1929, and 4.7 per cent in 1930.

The wholesale establishments had 5.6 per cent in 1928, 5.9 per cent in 1929, and 5.9 per cent in 1930. The manufacturing establishments had 2.2 per cent in 1928, 2.7 per cent in 1929, and 2.9 per cent in 1930. The wholesale and manufacturing establishments had 4.1 per cent in 1928, 4.5 per cent in 1929, and 4 per cent in 1930.

In grouping firms according to size of their returns and allowance percentages for 1930, it was found that there were seven firms with less than 1 per cent. At the other extreme were 13 firms with 5 per cent or over. The latter firms had returns and allowances five times as great proportionately as the former.

RETURNS AND ALLOWANCES OF LEATHER AND LUGGAGE ESTABLISHMENTS 1928-1930

[Percentages are weighted averages based on total gross sales]

Classification	1928		1929		1930	
	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent	Estab-lish-ments	Per cent
Wholesale.....	17	5.6	17	5.9	18	5.9
Manufacturing.....	23	2.2	24	2.7	25	2.9
Wholesale and manufacturing.....	5	4.1	5	4.5	5	4.0
Total.....	45	4.2	46	4.6	48	4.7

LEATHER AND LUGGAGE ESTABLISHMENTS GROUPED ACCORDING TO SIZE OF RETURNS AND ALLOWANCES, 1930

[Percentages based on gross sales]

Ratio of returns and allowances	Total stores	Size group (sales volume)				
		Less than \$100,000	\$100,000 to \$249,999	\$250,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Less than 1 per cent.....	7	2	3			2
1 to 1.9 per cent.....	7	4	3			
2 to 2.9 per cent.....	10	4	4	1	1	
3 to 3.9 per cent.....	6		1	4	1	
4 to 4.9 per cent.....	5		1	2		2
5 to 5.9 per cent.....	7	1		2	2	2
6 to 6.9 per cent.....	3	1	1		1	
8 to 8.9 per cent.....	2		1			1
10 per cent and over.....	1					1
Total.....	48	12	14	9	5	8

CREDIT TERMS

Nineteen leather and luggage establishments, or 39.6 per cent of the total reporting on the subject of credit terms, used "2 per cent 10 days; net 30 days." Four firms, or 8.3 per cent of the total, used "2 per cent 10 days; net 60 days." Four firms used "2 per cent tenth prox.; net 60 days."

CREDIT TERMS AND BAD-DEBT LOSSES OF LEATHER AND LUGGAGE ESTABLISHMENTS IN 1930.

Set of terms	Establishments using terms most commonly	Per cent of total establishments	Ratio of bad debts to total sales
1 per cent 10 days; net 30 days.....	2	4.2	0.4
2 per cent 10 days; net 30 days.....	19	39.6	1.3
2 per cent 10 days; net 60 days.....	4	8.3	.7
2 per cent tenth prox.; net 30 days.....	2	4.2	.5
2 per cent tenth prox.; net 60 days.....	4	8.3	1.3
All other.....	12	25.0	.3
Combination of 2 or more of the above.....	5	10.4	1.3
Total.....	48	100.0	.5

CUSTOMERS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS

Twenty-three leather and luggage establishments reported on the subject of customers attempting to dictate terms. The replies show that 14.6 per cent of customers attempted to dictate terms. The three firms in the size group with annual sales less than \$100,000 had the very high average of 33.7 per cent.

Twenty-seven leather and luggage firms reported on the subject of customers attempting to dictate terms. The replies show that 16.3 per cent of customers attempted to take unearned discounts. The five firms in the size group with annual sales less than \$100,000 had the very high average of 26 per cent.

## MERCANTILE CREDIT SURVEY: PART II

**PER CENT OF CUSTOMERS OF LEATHER AND LUGGAGE ESTABLISHMENTS ATTEMPTING TO DICTATE TERMS AND TAKE UNEARNED DISCOUNTS IN 1930**

[Percentages are simple averages; i. e., sum of percentages divided by number of establishments]

Classification	Attempting to dictate terms		Attempting to take unearned discounts	
	Firms reporting	Per cent of customers	Firms reporting	Per cent of customers
<b>TYPE OF ESTABLISHMENTS</b>				
Wholesale.....	9	22.6	10	23.4
Manufacturing.....	12	10.9	14	12.5
Wholesale and manufacturing.....	2	.5	3	10.3
<b>SALES VOLUME</b>				
Less than \$100,000.....	3	33.7	5	26.0
\$100,000 to \$249,999.....	8	24.3	8	17.5
\$250,000 to \$499,999.....	6	3.3	7	19.6
\$500,000 to \$999,999.....	1	0	1	1.0
\$1,000,000 and over.....	5	3.8	6	5.3
Total.....	23	14.8	27	16.3