

obtained, general market retailers would have had a total of 55,000 judgments if they had filed one suit for every \$2,599 in sales, as did the low-income market retailers (table III-10). In fact, the total number of suits in 1966 involving claims of \$10,000 or less was 49,000, only a part of which were claims for payment for merchandise purchases. The latter figure involved claims for a multitude of causes: auto accidents, small loan defaults, failure to pay utility bills and the like. Clearly, a number of low-income market retailers have come to view the courts as an integral part of their credit-collection system and in so doing have put a heavy burden on our legal system.

CHAPTER IV

CUSTOMER PROFILE OF LOW-INCOME MARKET RETAILERS: A CASE STUDY

This chapter provides a profile of the familial, age, income, occupational and certain other characteristics of the customers of a low-income market retailer of furniture and appliances. It also explores the credit alternatives available to these customers, the products they most frequently purchase, and the length of their installment contracts. The analysis is based on a sample of 486 installment contracts and credit applications on sales made by one low-income market retailer and provides an insight into the unique nature of the low-income consumer market.

Customer Characteristics

Marital Status and Sex.—Almost two-thirds (63.0 percent) of the customers in the sample were married couples (table IV-1). Whenever possible the salesman endeavored to have both the wife and husband sign the contracts. In many cases, however, only the signature of the wife was obtained.

TABLE IV-1.—MARITAL STATUS AND SEX OF CUSTOMERS

Status and sex	Number of customers	Percent of total
Married.....	306	63.0
Single.....	68	14.0
Men.....	27	
Women.....	41	
Divorced.....	8	1.6
Men.....	1	
Women.....	7	
Separated.....	74	15.2
Men.....	11	
Women.....	63	
Widowed.....	30	6.2
Men.....	1	
Women.....	29	
Total.....	486	100.0
Married couples.....	306	63.0
Individual men.....	40	8.2
Individual women.....	140	28.8
Total.....	486	100.0

Source: Bureau of Economics, Federal Trade Commission.

Most of the remaining customers were women (29 percent). Half of these women were divorced or separated.

Age Distribution of Customers.—Since in most instances data were given for both husband and wife, the age distribution was made for the combined sample of men and women. Most of the sample of customers were between 20 and 40 years old (table IV-2), the largest group being between 20 and 29. Few sales were made to customers under 20 or over 50 years of age.