Purchases of $100 to $299 accounted for 15.0 percent of the total contracts. One-fifth (20.8 percent) of the contracts were for $300 to $499. Only 10.5 percent of the total number of purchases made were for $500 or more.

TABLE IV-10.—SIZE OF PURCHASES

Value of purchase	Number of purchases	Percent of total
Less than $50	43	8.8
$50 to $99	218	44.9
$100 to $199	34	7.0
$200 to $299	39	8.0
$300 to $399	60	12.4
$400 to $499	41	8.4
$500 to $599	20	4.1
$600 to $699	14	2.9
$700 to $799	9	1.9
$800 and over	8	1.6
Total	486	100.0

Note: Average size of purchase, $207.02. Computation of average size of purchase based on total of 486 purchases and $100,613 total sales.

Source: Bureau of Economics, Federal Trade Commission.

Length of Installment Contracts.—Credit payment schedules were designed to fit the customers' income schedules. Typically, contracts for less than $100 were arranged with weekly payments over a period of a year. Other contracts required bi-weekly payments. The data in table IV–11 are expressed in months although frequently payment periods were weekly or bi-weekly.

Installment contracts for 6 months or less made up only 18 percent of the total contracts (table IV–11). Payments for 7 through 11 months accounted for 21.0 percent of the total. The largest number of contracts (28 percent) were for 12 months. Large purchases of furniture or household appliances were generally made under contracts extending beyond a year. About one-fifth of the contracts (21 percent) were for 13 through 17 months; and the remainder (12 percent) were contracts extending from 18 through 22 months. There were no contracts in the sample for a single merchandise purchase that exceeded 22 months.

With regard to the maximum length of contract, it should be pointed out that this case study sample may not be representative of low-income market retailers generally. Commission records indicate that other low-income market retailers frequently extend their installment contracts on purchases of appliances and furniture to 24, 30, and 36 months.

Merchandise Purchased.—Principal items and lines of merchandise purchased by the sample of 486 customers are shown in table IV–12.

TABLE IV-11.—LENGTH OF INSTALLMENT CONTRACTS

Length of contract	Number of contracts	Percent of total
6 months or less	87	17.9
7 to 11 months	102	21.0
12 months	138	28.4
13 to 17 months	103	21.2
18 to 22 months	56	11.5
Total	486	100.0

Source: Bureau of Economics, Federal Trade Commission.

Purchases of furniture items accounted for 27.8 percent of the total number of 486 merchandise purchases by customers in the sample. This was exceeded slightly by the combination of household utensil merchandise lines (cookware, chinaware, and silverware), which together accounted for 29 percent of total purchases. Home entertainment lines of merchandise (including television sets, stereo-phonographs, and radios) made up 21 percent of total items purchased. These three categories of merchandise together accounted for more than three-quarters (78 percent) of the total number of purchases by customers in the sample.