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Public Closely Divided on Prohibiting Installment Buying; Largest Number Disapprove

Survey Indicates Approximately 1 in 3 Now Buying on Installment; 70% Have Bought at One Time or Another

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PRINCETON, N. J., Aug. 21.—As a step toward controlling inflation, the Federal Reserve Board will shortly issue the first of a set of regulations to control buying on the installment plan. The immediate objective is to curb purchases of such goods as autos, refrigerators, washing machines, vacuum cleaners, etc., thus releasing metals for defense. The long-range objective is to curb inflation.



It is too early yet to tell what the American public's ultimate reaction will be to the program. But some light is shed on the country's attitude by a public opinion study just completed by the Institute.

This survey dealt with the question of a complete prohibition against future installment purchases, which was one of the sug-

gestions made when discussion started in Washington. The plan finally adopted is much more moderate in scope, and would almost certainly meet with more public approval than the drastic step of a complete curb on installment buying.

Yet it is interesting to note that even on a complete curb, public sentiment is fairly closely divided, as the following survey shows:

"As one way to help defense production, it has been suggested that the government forbid anyone buying anything more on the installment plan until the war in Europe is over. Do you approve or disapprove of this suggestion?"

APPROVE 43%
DISAPPROVE 49
NO OPINION 8

The Federal Reserve plan, according to the best information, contemplates an increase in down-payments and a reduction of the "stretch-out" period heretofore allowed for making payments, but not a blanket prohibition against all future installment purchase.

ONE-THIRD NOW BUYING ON INSTALLMENT

The Institute study indicates that a little over one-third of the American adult population is now paying for something on the installment plan. This is evidenced in a second question in the survey, which asked:

"Are you now paying for anything on the installment plan?"

The results were:

YES 36%
NO 64

An earlier poll, taken some years ago, indicates that about 70 per cent have at one time or another bought on the installment plan.

But many who are buying on the installment plan

are apparently far from happy about it. Today's survey found that approximately one-third of them would approve action to stop the purchase of anything more on the installment basis.

Among those who are not now buying anything on installment, nearly half (49 per cent) favor a complete curb.

The upper income groups buy fewer things on the installment plan, the survey indicates, and are more in favor of curbs than the lower income groups, as the following table indicates:

	For Pro- hibiting Install- ment Buying	Op- posed	No Opinion
Upper Income Group	48%	48%	4%
Middle Income Group	43	50	7
Lower Income Group	41	49	10

Because the question of installment buying is likely to come more and more to the front as regulations are put into effect, the Institute plans to conduct further surveys on the issue from time to time.