



THE CREDIT COLLECTIVE

CHILDREN'S PRODUCTS SUPPLIERS ADAPT TO SLOWER PAYING RETAILERS

(May 11, 2009) In recent weeks, it has been reported that the credit manager's index and consumer confidence are both improving. However, according to a recent survey conducted by The Credit Collective, LLC (a large consortium of vendors in the children's products industries), children's products retailers are apparently still paying suppliers later than ever.

According to the survey, here are the changes in payment habits that vendors are reporting:

- > 15 Days late - 18%
- 15 – 30 Days late - 29%
- **30 – 60 Days late - 36%**
- 60 – 90 Days late - 4%
- 90+ Days late - 14%

When asked if they have modified any of their accounts receivables procedures, over 95% of the surveyed suppliers said they had. Of those, the top two changes that vendors reported were:

- 32% reported being **more vigilant** (including examining payment histories, re-examining credit references and heeding industry alerts reported via The Credit Collective, LLC).
- 29% reported **initiating dunning and/or collection efforts sooner**.

Other changes to their procedures included:

- 12% reported setting up more pre-payment accounts
- 7% reported holding account shipments until accounts are current
- 7% reported decreasing lines of credit
- 6% reported shortening terms
- 4% reported being more lenient
- 3% reported doing nothing

In its continued goal of promoting the financial health of the children's products industries, The Credit Collective, LLC would like to encourage both retailers and vendors to contact us with any questions or concerns relating to credit and payables.

ABOUT THE CREDIT COLLECTIVE, LLC

The Credit Collective, LLC is not a collection agency. It is a consortium of toy, educational, gift, juvenile and game suppliers who assist one another with credit and sales information. Its unique, industry-specific, online system protects suppliers by providing up-to-date credit references and alerts. It also creates thousands of triple-qualified sales leads that help its members avoid risky retailers while allowing them to offer “pre-approval” terms to healthy ones.

The Credit Collective, LLC is officially endorsed by several children’s industry trade organizations. The American Specialty Toy Retailers Association (ASTRA), The Canadian Toy Association (CTA), The Juvenile Products Manufacturers Association (JPMA) and The National School Supply and Equipment Association (NSSEA) all highly recommend this service to assist their members with loss prevention and sales promotion.

For more information please visit The Credit Collective, LLC at www.creditcollective.com or call them at 303-670-5111.

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