

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

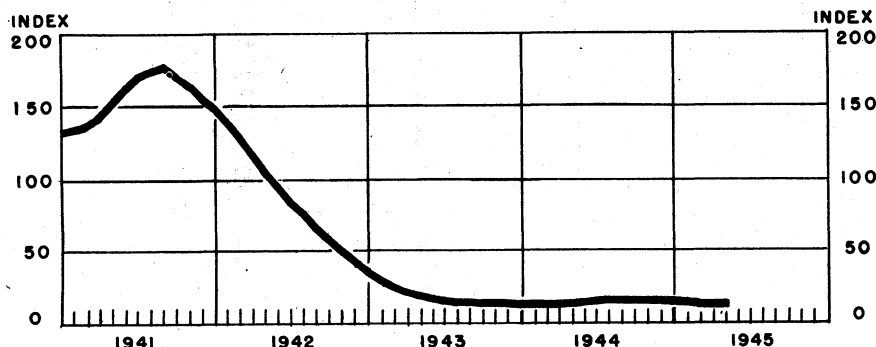
SALES FINANCE COMPANIES
APRIL 1945

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The number of used passenger cars financed by sales finance companies decreased 6 per cent in April and the dollar volume of paper purchased showed about the same percentage decline. New passenger car financing was reduced 12 per cent in number during the month but only 6 per cent in dollar amount of paper acquired. Although the number of new commercial vehicles financed in April was 10 per cent larger than in the preceding month, the dollar volume of acquirements remained about the same. Used commercial vehicles financed during the month were down 9 per cent in number and 11 per cent in value of paper acquired.

Retail automotive outstandings held by sales finance companies at the end of April were in about the same volume as a month earlier. The index for these outstanding balances, as shown on the chart below, was 14 for the third consecutive month.

Retail Automotive Financing by Sales Finance Companies
Outstanding Balances at End of Month, December 31, 1939 = 100



Wholesale automotive outstandings held by sales finance companies declined about 1 per cent during April. Acquirements of paper arising from wholesale sales of new passenger and commercial cars were approximately 9 per cent smaller in April than in the preceding month, while the dollar volume of wholesale transactions in used vehicles declined nearly 13 per cent.

The April volume of retail diversified financing was about 13 per cent larger than in the preceding month and balances outstanding rose 2 per cent. Paper arising from retail sales of furniture, radios and musical instruments was somewhat below the March volume, but the volume based on sales of refrigerators and household appliances increased 8 per cent in April. The amount of repair and modernization paper purchased during April was 12 per cent larger than a month earlier.

Wholesale automotive paper acquired during April amounted to 41 per cent of the balances outstanding at the end of the month. Retail automotive paper purchased was 16 per cent and other retail consumer paper 12 per cent of the respective balances outstanding at the end of April.

Note.--Collection of statistics from sales finance companies was transferred to the Board of Governors of the Federal Reserve System, effective with the February 1945 report. These data were formerly compiled by the Bureau of the Census, United States Department of Commerce. The purpose of this transfer was to centralize in a single agency the collection of statistics in the instalment sales financing and consumer loan fields, thus facilitating more orderly coverage and avoiding unnecessary overlapping of reporting groups.

April data, based on returns from 183 sales finance companies, are compiled in the same manner as those shown in earlier reports. Aggregates represent only the totals for the reporting companies and, since the reporting sample is not identical from month to month, they are not comparable with totals of preceding months.

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Table 1.--Automotive and Diversified Financing by Sales Finance Companies
Indexes of Outstanding Balances: December 31, 1939 = 100 a/

End of month and year	Total all sales financing	Retail automotive	Wholesale automotive	Wholesale other than automotive	Retail other consumers' goods	Industrial, commercial, and farm equipment
1939.....	100	100	100	100	100	100
1940.....	136	132	169	140	129	131
1941.....	152	149	175	250	148	147
1942.....	53	37	112	40	76	61
1943.....	20	13	40	8	30	27
1944.....	18	15	24	11	26	26
1944 - April	18	13	37	11	25	31
May	19	14	36	11	24	32
June	19	15	34	11	24	32
July	19	16	29	10	24	33
August	19	16	26	10	24	27
September	19	16	25	12	25	27
October	19	16	24	10	25	27
November	18	16	23	10	26	25
December	18	15	24	11	26	23
1945 - January	18	15	25	14	26	27
February	18	14	26	15	26	26
March	18	14	26	18	26	30
April	18	14	25	17	27	32

a/ Indexes as of December 31 for the years of 1939, 1940, and 1941 are based on figures reported by sales finance companies on a supplementary report form which accompanied the regular monthly report form for January 1942. Succeeding indexes are derived by calculating the percentage changes of the outstanding balances reported by sales finance companies for each month from those reported by the same companies for the preceding month, and by linking these percentages to the indexes for the preceding month.

Table 2.--Relative Importance of Loans Made by Sales Finance Companies
During April 1945 and Outstanding Balances at End of Month

Class of paper	Paper acquired during month		Outstanding balances, end of month	
	Amount	Percentage of total	Amount	Percentage of total
Total, all classes of paper <u>a/</u>	\$79,527,247	100	\$289,822,253	100
Total loans.....	37,845,907	48	86,205,593	30
Small (personal) loans.....	7,521,573	10	44,365,445	15
Business loans.....	30,324,334	38	41,840,148	15
Total sales financing <u>a/</u>	41,681,340	52	203,616,660	70

a/ Included in this classification are only those firms which, in addition to their sales financing operations, reported loan activities.

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Table 3.--Automotive and Diversified Financing by Sales Finance Companies
January 1942 = 100 ^{a/}

ITEM	1944									1945			
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
<u>RETAIL AUTOMOTIVE</u>													
Total number of cars financed.....	31	39	39	39	37	30	32	29	25	24	24	32	30
Total volume of paper acquired.....	38	49	51	51	48	40	42	37	33	31	31	41	38
New passenger cars.....Number.....	6	9	9	6	6	4	4	4	3	3	2	3	2
Paper acquired.....	8	12	13	8	8	6	6	5	5	4	3	4	4
New commercial cars.....Number.....	10	14	9	15	18	30	27	22	30	22	18	25	28
Paper acquired.....	11	15	13	16	20	24	22	19	25	21	17	24	24
Used passenger cars.....Number.....	35	44	45	45	42	34	36	32	27	26	27	35	33
Paper acquired.....	47	60	62	64	59	48	51	45	37	36	37	48	45
Used commercial cars.....Number.....	9	12	12	11	12	16	16	14	22	17	15	19	18
Paper acquired.....	17	24	26	24	23	31	34	28	46	36	30	40	35
<u>WHOLESALE AUTOMOTIVE</u> (Paper acquired)													
Total volume of paper acquired.....	17	18	16	10	12	12	12	12	14	16	15	18	16
New cars (passenger and commercial).....	6	4	5	4	5	4	4	4	5	6	4	6	5
Used cars (passenger and commercial).....	79	88	74	40	51	52	57	55	65	71	73	80	70
<u>DIVERSIFIED FINANCING</u> (Paper acquired)													
Total diversified financing.....	29	35	37	35	43	42	45	44	45	44	38	49	51
Total retail, other consumers' goods.....	35	44	47	45	56	56	59	58	59	53	48	55	63
Furniture, radios, musical instruments.....	20	23	21	21	22	23	29	23	24	27	19	26	25
Refrigerators and other household appliances...	16	15	17	17	18	13	17	14	14	17	16	22	24
Residential building repairs and modernization.	77	111	129	118	142	131	136	133	114	99	94	114	129
Miscellaneous retail.....	65	66	58	61	99	115	113	139	207	172	154	143	179
Total wholesale, except automotive.....	3	3	4	3	4	3	4	5	5	13	7	10	8
Industrial, commercial, and farm equipment.....	89	74	68	63	52	48	68	35	39	54	55	206	122

^{a/} Indexes are derived by calculating the percentage changes in the number of cars financed or the volume of paper acquired by sales finance companies during each month from the number of cars financed or the volume of paper acquired by the same companies during the preceding month, and by linking these percentages to the indexes for the preceding month. The indexes for "Total retail automotive," "Total wholesale automotive," and "Total retail, other consumers' goods" are based on all figures reported for these items regardless of whether or not breakdowns could be supplied.

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Table 4.--Automotive and Diversified Financing by Sales Finance Companies
Paper Acquired During April 1945 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during April 1945		Outstanding balances April 30, 1945 ^{a/}	Ratio paper acquired to outstanding balances ^{b/}
	By all companies reporting	By companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$19,555,486	\$18,989,522	\$115,928,938	16
Total wholesale automotive.....	16,997,112	16,879,185	41,183,347	41
Total wholesale - other than automotive...	352,113	320,743	1,004,764	32
Total retail - other consumers' goods.....	6,646,531	6,403,441	51,879,358	12
Industrial, commercial, and farm equipment	639,202	591,674	5,515,323	11
Total sales financing.....	\$44,190,444	\$43,184,565	\$215,511,730	20

^{a/} Data are based on figures from sales finance companies able to report both their paper acquired and their outstanding balances.

^{b/} Ratios obtained by dividing paper acquired (column 2) by outstanding balances (column 3).

Table 5.--Number of Cars Financed and Volume of Paper Acquired
by Sales Finance Companies During April 1945

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	31,314	100	\$16,930,735 ^{a/}	100
New passenger cars.....	136	^{b/}	160,691	1
New commercial cars.....	671	2	785,696	5
Used passenger cars.....	29,331	94	15,176,269	89
Used commercial cars.....	1,176	4	808,079	5
Total wholesale automotive.....	18,639	100	\$14,410,016 ^{a/}	100
New cars (passenger and commercial)..	6,211	33	4,755,013	33
Used cars (passenger and commercial)..	12,428	67	9,655,003	67

^{a/} Data are based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing. These amounts are less than those reported in table 4 due to the exclusion of some data for which breakdowns were not available.

^{b/} Less than one half of one per cent.

Table 6.--Volume of Diversified Sales Financing During April 1945

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 784,056	10
Refrigerators and other household appliances.....	215,739	3
Residential building repairs and modernization.....	3,856,376	51
Miscellaneous retail.....	1,725,852	23
Total retail - other consumers' goods.....	\$6,582,023 ^{a/}	87
Total wholesale - other than automotive.....	352,113	5
Industrial, commercial, and farm equipment.....	639,202	8
Total diversified financing.....	\$7,573,338	100

^{a/} Data are based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods. This amount is less than that reported in table 4 due to the exclusion of some data for which breakdowns were not available.