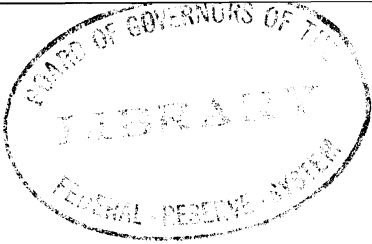


Miss Burgess



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

G.20

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SALES FINANCE COMPANIES

NOVEMBER 1949

Retail financing.--November purchases of automobile instalment paper were somewhat larger than those for October but purchases of other retail instalment paper declined according to the reporting sales finance companies. Outstanding balances on automobiles continued to expand while those based on other goods were further reduced.

The 2 per cent rise in dollar volume of automobile paper acquired, as shown in the table below, reflected increases in the financing of all types of vehicles except new commercial vehicles.

Financing of goods other than automobiles was 2 per cent below the October total but trends by type of paper were mixed. Declines were reported in paper based on refrigerators and other household appliances, and miscellaneous sales, while increases were reported in the other classifications.

Retail Financing by Sales Finance Companies

Class of retail instalment paper	Percentage change, October 1949 to November 1949		
	Number of cars	Volume of paper acquired during month	Outstanding balances, end of month
Automotive: Total retail	+ 1	+ 2	+ 3
Passenger cars: New	+ 2	+ 4	...
Used	+ 2	+ 3	...
Commercial cars: New	- 9	-10	...
Used	+ 1	+ 2	...
Other consumer goods: Total		- 2	- 2
Furniture, radios, musical instruments		+ 5	...
Refrigerators and other household appliances		- 3	...
Residential building repair and modernization		+ 7	...
Miscellaneous retail		- 6	...

Wholesale financing.--Reporting companies financed a smaller volume of wholesale transactions in new and used vehicles in November than in October. Balances outstanding based on such transactions declined further during the month. Wholesale credit for other goods was also in smaller volume and balances outstanding continued to contract.

Ratio of paper acquired to balances outstanding.--The turnover rate of receivables as measured by the ratio of paper purchased during the month to outstanding balances at the end of the month decreased 3 percentage points to 26 for November.

NOTE.--November data, based on returns from 124 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.

SALES FINANCE COMPANIES

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
1945.....	22	18	27	38	39	23
1946.....	59	42	90	224	105	59
1947.....	119	88	163	394	226	89
1948.....	174	151	252	454	232	116
1948-November.....	167	148	211	418	238	116
December.....	174	151	252	454	232	116
1949-January.....	177	152	273	484	221	118
February.....	180	155	289	561	214	117
March.....	184	164	281	571	207	111
April.....	188	175	260	551	203	112
May.....	191	188	219	515	202	112
June.....	198	197	225	479	203	111
July.....	203	206	227	430	203	111
August.....	214	219	242	417	202	111
September.....	225	228	279	400	199	110
October.....	232	237	294	371	195	111
November.....	233	245	267	361	190	110

^{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 November 1949 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 ^{a/}	\$755,021,212	100	\$2,856,803,751	100
Total loans.....	39,064,771	5	145,047,211	5
Small (personal) loans.....	10,590,835	1	67,314,121	2
Business loans.....	28,473,936	4	77,733,090	3
Total sales financing ^{a/}	715,956,441	95	2,711,756,540	95

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

SALES FINANCE COMPANIES

Table 3.--Automotive and Diversified Financing by Sales Finance Companies
Paper Acquired During November 1949 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during November 1949		Outstanding balances November 30, 1949 ^{a/}	Ratio paper acquired to outstanding balances ^{b/}
	By all companies reporting	By companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$280,997,998	\$279,216,366	\$1,951,311,016	14
Total wholesale automotive.....	407,712,398	406,455,050	417,338,386	97
Total wholesale - other than automotive....	10,415,846	10,405,137	27,410,368	38
Total retail - other consumers' goods.....	22,365,507	22,156,162	290,908,119	8
Industrial, commercial, and farm equipment	7,149,471	7,001,873	82,109,660	9
Total sales financing.....	\$728,641,220	\$725,234,588	\$2,769,077,549	26

^{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 4.--Number of Cars Financed and Volume of Paper Acquired
by Sales Finance Companies During November 1949

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	242,592	100	\$254,227,164 ^{a/}	100
New passenger cars.....	97,132	40	144,585,539	57
New commercial cars.....	13,786	6	18,292,787	7
Used passenger cars.....	120,777	50	84,120,874	33
Used commercial cars.....	10,897	4	7,227,964	3
Total wholesale automotive.....	256,676	100	\$387,331,388 ^{a/}	100
New cars (passenger and commercial)..	241,133	94	373,795,579	97
Used cars (passenger and commercial)..	15,543	6	13,535,809	3

^{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 3 due to the exclusion of some data for which breakdowns were not available.

Table 5.--Volume of Diversified Sales Financing During November 1949

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 3,052,425	8
Refrigerators and other household appliances.....	8,985,282	23
Residential building repairs and modernization.....	3,024,586	7
Miscellaneous retail.....	6,584,781	17
Total retail - other consumers' goods.....	\$21,647,074 ^{a/}	55
Total wholesale - other than automotive.....	10,415,846	27
Industrial, commercial, and farm equipment.....	7,149,471	18
Total diversified financing.....	\$39,212,391	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 3 due to the exclusion of some data for which breakdowns were not available.