

MAR 31 1942

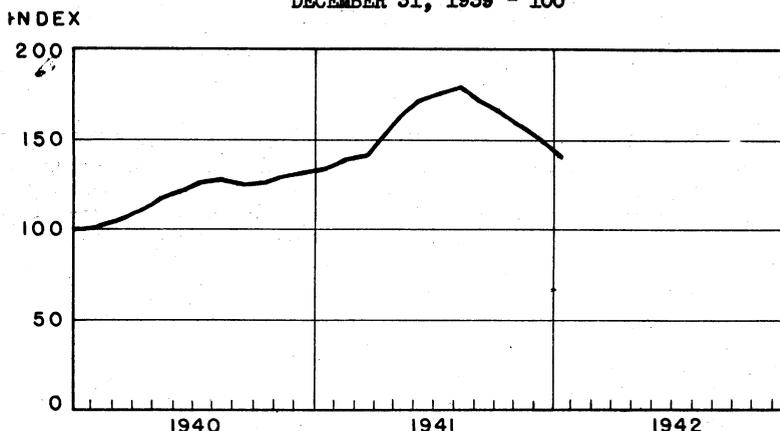
SALES FINANCE COMPANIES
January 1942

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A decrease of 78 percent, from December 1941 to January 1942, in the amount of new automotive financing for both the number of cars and for the dollar volume of paper acquired was announced today by J. C. Capt, Director of the Census. The number of used cars financed was down 31 percent for the same period, while the dollar volume of used car paper acquired was down only 24 percent. Outstanding balances for retail automotive paper was down 7 percent, but the outstanding balances for wholesale automotive paper was up 12 percent. These data clearly reflect the trends in automotive financing resulting from the restrictions on the sale of new cars and on the granting of credit for installment sales financing. It should be noted, however, that the volume of paper acquired during January includes the financing of a number of new cars sold during earlier periods.

As indicated in the chart, outstanding balances for retail automotive financing rose from an index of 100 on January 31, 1940 to 134 on January 31, 1941 and to 139 on January 31, 1942. The index for January 31, 1942 was 10 points lower, however, than for December 31, 1941.

OUTSTANDING BALANCES
RETAIL AUTOMOTIVE FINANCING
DECEMBER 31, 1939 = 100



This monthly report replaces the one for "Automobile Financing" which has been published by the Bureau of the Census. The data from 346 sales finance companies is published as reported without seasonal or other adjustments. Forty-five states and the District of Columbia are represented, and all types of sales finance companies engaged in automotive and diversified financing of wholesale and retail sales have been included.

The purpose of this survey of the sales finance companies is to show the current trends month by month of their outstanding balances and of their volume of paper acquired. The dollar volumes reported may not be used to indicate the total amount of financing by all of the sales finance companies. While the purpose is to show current trends, the data are related, as far as possible, to comparable data for previous years by means of index numbers. Any use of these indexes to calculate current volumes for all sales finance companies must be qualified by assumptions as to the representativeness of the sample.

To show trend from one month to another, schedules from any one company must be available for both months. Thus schedules sent in for January were matched with the automobile finance schedules for December to obtain the current trends of automobile financing. Furthermore, since the base period for the index of outstanding balances is December 31, 1939, and since schedules could not be matched for December 1939 and January 1942, the index of the outstanding balances as of January 31, 1942, was obtained by calculating the percentage decrease of the outstanding balances, as shown by the matched schedules, and by linking this percentage to the index previously derived for December 1941. The indexes for outstanding balances as of December 31 for 1939, 1940, and 1941 were calculated from the data sent in on a supplementary report to the monthly report for January 1942, while those for retail automotive as of the end of the month for January to November, 1941, were calculated from the data in the "Automobile Financing" report previously published by the Bureau of the Census. These indexes are reported in table 1.

The current trend for the volume of automotive paper acquired is reported in table 3. Indexes for the months of January 1940, and of January and December of 1941, were derived from data published in the "Automobile Financing" report, with the 1939 monthly average as the base. The index for January 1942 was obtained by linking the percentage decrease in the volume of paper acquired as shown by matched schedules to the index for December 1941.

SALES FINANCE COMPANIES

Table 1.- Index of Trends in Outstanding Balances by Class of Paper ^{a/}
December 31, 1939 = 100

Date	Total all sales financing	Retail automotive	Wholesale automotive	Wholesale other consumers' goods	Retail other consumers' goods	Industrial, commercial and farm equipment
1939 - Dec. 31.....	100	100	100	100	100	100
1940 - Dec. 31.....	136	132	169	119	129	97
1941 - Jan. 31.....	-	134	-	-	-	-
- Feb. 28.....	-	138	-	-	-	-
- Mar. 31.....	-	142	-	-	-	-
- Apr. 30.....	-	152	-	-	-	-
- May 31.....	-	163	-	-	-	-
- June 30.....	-	171	-	-	-	-
- July 31.....	-	176	-	-	-	-
- Aug. 31.....	-	178	-	-	-	-
- Sep. 30.....	-	170	-	-	-	-
- Oct. 31.....	-	164	-	-	-	-
- Nov. 30.....	-	157	-	-	-	-
- Dec. 31.....	152	149	175	217	148	93
1942 - Jan. 31.....	147	139	196	232	143	91

^{a/} Data based on an inquiry conducted in February 1942, except those for January 31 through November 30, 1941 on retail automotive paper, which are derived from the report "Automobile Financing" previously published by the Bureau of the Census. Not all sales finance companies hold all five classes of paper. Consequently, the number of companies whose data are included in any one item varies.

Table 2.- Outstanding Balances by Class of Paper
Based on Reports from a Sample of Sales Finance Companies ^{a/}
December 31, 1939, 1940 and 1941 and January 31, 1942

Class of paper	Dec. 31, 1939 ^{a/}		Dec. 31, 1940		Dec. 31, 1941		Jan. 31, 1942	
	Dollar volume (add 000)	% of total	Dollar volume (add 000)	% of total	Dollar volume (add 000)	% of total	Dollar volume (add 000)	% of total
Retail automotive.....	755,737	67	1,000,064	65	1,126,798	66	1,052,112	63
Wholesale automotive.....	151,045	14	254,938	17	264,628	15	295,732	18
Wholesale--other consumers' goods.....	4,211	^{b/}	5,008	^{b/}	9,150	1	9,752	1
Retail--other consumers' goods	204,026	18	263,981	17	301,332	17	291,959	17
Industrial, commercial and farm equipment.....	12,704	1	12,351	1	11,810	1	11,604	1
Total.....	1,127,723	100	1,536,343	100	1,713,718	100	1,661,159 ^{c/}	100

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^{a/} The data in this table represent 302 sales finance companies, not all of whom hold all five classes of paper. The relation between retail automotive and retail other consumers' goods for 1939 thus varies slightly from that reported in Census of Business: 1939 Sales Finance Companies.

^{b/} Less than 0.5 percent.

^{c/} This amount is less than that reported in table 6 due to the inclusion in the latter table of data from companies that could not report their outstanding balances for the previous years.

Table 3.- Index of Trends in Volume of Automotive Paper Acquired a/
1939 Monthly Average = 100

Period	Retail financing						Wholesale financing index of dollar volume
	New cars		Used cars		Total b/		
	Index of number	Index of dollar volume	Index of number	Index of dollar volume	Index of number	Index of dollar volume	
1939 - Monthly average..	100	100	100	100	100	100	100
1940 - January.....	93	95	86	89	88	93	151
1941 - January.....	117	130	115	129	116	130	189
- December.....	64	77	88	110	80	92	158
1942 - January.....	14	17	61	84	45	47	82

a/ Data for January 1942 based on reports for that month from 222 companies who had also reported for December 1941. Data for 1939, 1940 and 1941 derived from the report "Automobile Financing" previously published by the Bureau of the Census.

b/ Data in this column based on reports from companies providing the breakdown in the two preceding columns and also reports from companies who could not supply a breakdown between new and used cars.

Table 4.- Automotive Financing
Volume of Paper Acquired During January 1942 a/

Class of paper	Number of cars		Volume	
	Number	Percent of total	Dollars	Percent of total
Total retail automotive.....	<u>125,304</u>	<u>100</u>	<u>\$54,766,452 b/</u>	<u>100</u>
New passenger cars.....	12,641	10	9,666,816	18
New trucks, buses, tractor-trailers...	2,261	2	3,013,143	5
Used passenger cars.....	104,813	83	39,843,646	73
Used trucks, buses, tractor-trailers..	5,589	5	2,242,847	4
Total wholesale automotive.....	-	-	<u>\$84,888,863 b/</u>	<u>100</u>
New cars (passenger and commercial)...	-	-	75,072,638	88
Used cars (passenger and commercial)..	-	-	9,816,225	12

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a/ Data based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing. Not all sales finance companies hold each class of paper, consequently the number of companies whose data are included in any one item varies.

b/ These amounts are less than those reported in table 6 due to the inclusion in the latter table of the data from sales finance companies that could not provide a breakdown.

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Table 5.- Diversified Financing
Volume of Paper Acquired During January 1942 ^{a/}

Class of Paper	Volume of paper acquired	
	Dollars	Percent of total
Retail - other consumers' goods:		
Furniture.....	\$ 314,694	3
Radio, television sets, pianos and other musical instruments.....	421,128	4
Refrigerators, (gas and electric).....	1,282,686	13
Other household appliances.....	759,954	8
Residential building repair and modernization..	2,354,446	23
Miscellaneous retail.....	<u>1,044,203</u>	<u>10</u>
Total retail - other consumers' goods.....	6,177,111 ^{b/}	61
Total wholesale - other consumers' goods.....	3,210,600	31
Industrial, commercial, and farm equipment.....	822,613	8
Total diversified financing.....	\$10,210,324	100

^{a/} Data based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods. Not all sales finance companies hold each class of paper. Consequently, the number of companies whose data are included in any one item varies.

^{b/} This amount is less than that reported in table 6 due to the inclusion in the latter table of the data from companies that could not provide a breakdown.

Table 6.- Automotive and Diversified Financing ^{a/}
Volume of Paper Acquired During January 1942 and Balances Outstanding January 31, 1942

Class of paper	Volume of paper acquired during January 1942		Outstanding balances January 31, 1942
	Dollars	Percent of total	Dollars
Total retail automotive.....	\$ 55,109,971	31	\$1,203,582,833
Total wholesale automotive.....	103,005,974	59	295,978,585
Total wholesale - other consumers' goods...	3,183,893	2	9,814,841
Total retail - other consumers' goods.....	12,611,589	7	292,206,108
Industrial, commercial and farm equipment..	802,647	1	11,620,292
Total sales financings.....	\$174,714,074	100	\$1,813,202,659

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Current Statistical Service

^{a/} Data based on reports from companies reporting comparable figures for outstanding balances and for paper acquired. Not all companies hold each class of paper. Consequently, the number of companies whose data are included in any one item varies.

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Division of Research and Statistics