

Immediate
Release
July 2, 1942

U.S. GOVERNMENT PRINTING OFFICE
FEDERAL RESERVE BANK OF ST. LOUIS
DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

Current
Statistical
Service

JUL -6 1942

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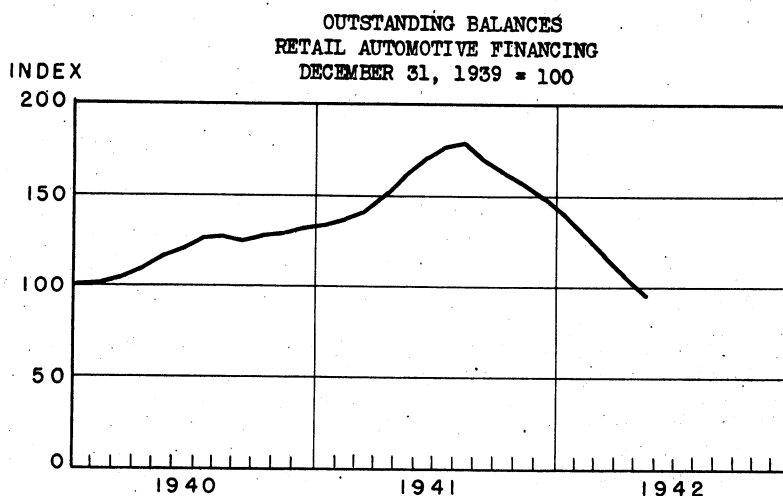
SALES FINANCE COMPANIES

May 1942

COPY I

An increase of 44 percent for May 1942 over the preceding month in the number of new passenger cars financed was shown by data reported by sales finance companies, according to an announcement today by J. C. Capt, Director of the Census. The dollar volume of paper acquired in the financing of new passenger cars increased 43 percent. For new commercial cars, the number financed and the volume of paper acquired decreased 27 percent and 24 percent respectively. Used passenger car financing decreased 11 percent for both the number of cars and the dollar volume. In the financing of used commercial cars, the number decreased 18 percent and the dollar volume of paper acquired dropped 19 percent.

During April 1942, retail automotive outstandings of sales finance companies decreased 10 percent, slightly more than the decline registered for the preceding month. The steady downward trend of the automotive outstanding balances since August 1941 is shown by the chart presented below.



The volume of paper acquired by sales finance companies in wholesale automotive financing decreased 19 percent for new cars and 7 percent for used cars from April to May of this year. The outstanding balances for wholesale automotive financings decreased 6 percent during May, continuing the downward swing from the high in February.

In retail diversified financing by sales finance companies for May 1942 compared with the preceding month, the largest decrease (49%) was in the volume of financing of radios, pianos, and other musical instruments. The financing of household appliances, of refrigerators, and of furniture dropped 31 percent, 20 percent, and 12 percent respectively. Financing of residential building repair and modernization increased slightly. In wholesale diversified financing the volume of paper acquired by sales finance companies was down 24 percent from April to May of this year.

Diversified outstanding balances held by sales finance companies recorded slight to moderate reductions during May. Outstanding balances were reduced 4 percent for the retail financing of other consumers' goods, 6 percent for industrial, commercial, and farm equipment, and 14 percent for wholesale diversified financing (other than automotive).

The ratios of the paper acquired during May 1942 to the outstanding balances as of May 31, 1942 were 4 percent for retail automotive, 5 percent for wholesale automotive, 6 percent for retail-other consumers' goods, 5 percent for industrial, commercial, and farm equipment, and 6 percent for wholesale-other than automotive.

These data on the current trends of sales financing for the month of May were based on reports for April and for May from 280 sales finance companies. Neither the dollar volumes nor the indexes should be used to indicate the total amount of financing by all sales finance companies in the United States. The data are published as reported without adjustment for seasonal or price fluctuations. The data included in tables 5, 6, and 7 of this release are not comparable to those published for previous months, since monthly reports are not received each month from identical sales finance companies. All indexes for May were obtained by calculating the percent changes from April to May, as shown by data from reports for April and for May from sales finance companies reporting comparable data, and by linking these percentages to the indexes previously derived for April 1942.

SALES FINANCE COMPANIES

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

Date	Total all sales financing	Retail automotive	Wholesale automotive	Wholesale other than automotive	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 - 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
- Feb. 28....	143	128	234	275	139	91
- Mar. 31....	135	116	233	242	135	91
- Apr. 30....	125	105	222	199	131	85
- May 31....	115	95	208	171	126	80

^{a/} Indexes for April 30, 1941 through November 30, 1941 are derived from data in the "Automobile Financing" report previously published by the Bureau of the Census. 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. Indexes for 1942 are derived by calculating the percent changes of the outstanding balances reported for each month from those reported for the previous month, as shown by matched schedules, and by linking these percentages to the index for the previous month.

Table 2.-- Automotive Financing ^{a/}
Index of Trends in Number of Cars Financed, 1942
January 1942 = 100

Class of paper	January	February	March	April	May
Total retail automotive.....	100	70	78	64	59
New passenger cars.....	100	22	43	40	58
New commercial cars.....	100	29	47	33	24
Used passenger cars.....	100	77	83	68	60
Used commercial cars.....	100	77	73	57	47

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^{a/} Indexes are derived by calculating the percent changes in the number of cars financed during each month from those financed for the previous month, as shown by matched schedules, and by linking these percentages to the indexes for the previous month. The indexes for "Total retail automotive" are based on figures reported for this item regardless of whether or not a break-down could be supplied.

Table 3.— Automotive Financing ^{a/}
Index of Trends in Volume of Paper Acquired, 1942
January 1942 = 100

Class of paper	January	February	March	April	May
Total retail automotive.....	100	62	73	57	55
New passenger cars.....	100	22	46	42	60
New commercial cars.....	100	29	41	28	21
Used passenger cars.....	100	73	81	62	55
Used commercial cars.....	100	81	73	62	50
Total wholesale automotive.....	100	93	39	19	16
New cars (passenger and commercial).....	100	100	37	17	14
Used cars (passenger and commercial).....	100	67	66	40	37

^{a/} Indexes are derived by calculating the percent changes in the volume of automotive paper acquired during each month from the volumes acquired during the previous month, as shown by matched schedules, and by linking these percentages to the indexes for the previous month. The indexes for "Total retail automotive" and for "Total wholesale automotive" are based on figures reported for these items regardless of whether or not a breakdown could be supplied.

Table 4.— Diversified Financing ^{a/}
Index of Trends in Volume of Paper Acquired, 1942
January 1942 = 100

Class of paper	January	February	March	April	May
Total retail - other consumers' goods.....	100	103	137	123	108
Furniture.....	100	88	122	110	97
Radio, television sets, pianos and other musical instruments.....	100	108	141	72	37
Refrigerators, (gas and electric).....	100	147	250	132	105
Other household appliances.....	100	115	169	116	80
Residential building repair and modernization.....	100	92	119	127	128
Miscellaneous retail.....	100	144	155	131	131
Total wholesale - other than automotive.....	100	154	99	58	45
Industrial, commercial, and farm equipment...	100	157	194	176	115
Total diversified financing.....	100	127	146	115	98

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^{a/} Indexes are derived by calculating the percent changes in the volume of diversified paper acquired during each month from the volume acquired during the previous month, as shown by matched schedules, and by linking these percentages to the indexes for the previous month. The indexes of "Total retail other consumers' goods" are based on figures reported for this item regardless of whether or not a breakdown could be supplied.

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Table 5.— Automotive and Diversified Financing
Volume of Paper Acquired During May 1942 and Balances Outstanding May 31, 1942

Class of paper	Dollar volume of paper acquired during May 1942		Outstanding balances May 31, 1942 b/	Ratio of paper acquired to outstanding balances c/
	By all companies a/	By all companies reporting outstanding balances b/		
Total retail automotive.....	\$28,895,558	\$28,505,734	\$801,141,011	4
Total wholesale automotive.....	15,904,014	15,857,152	337,165,703	5
Total wholesale - other than automotive....	1,108,270	1,060,341	5,740,037	18
Total retail - other consumers' goods.....	12,945,482	12,708,144	247,722,326	5
Industrial, commercial and farm equipment..	639,505	628,511	9,847,339	6
Total sales financings.....	\$59,492,829	\$58,759,882	\$1,401,616,416	4

a/ Data are based on reports from all sales finance companies regardless of whether or not they could supply a breakdown and whether or not they could report their outstanding balances.

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

c/ Ratios obtained by dividing paper acquired by outstanding balances for an identical group of firms.

Table 6.— Automotive Financing a/
Number of Cars Financed and Volume of Paper Acquired During May 1942

Class of paper	Number of cars		Volume	
	Number	Percent of total	Dollars	Percent of total
Total retail automotive.....	69,329	100	\$27,756,760 b/	100
New passenger cars.....	6,833	10	5,224,375	19
New commercial cars.....	522	1	590,240	2
Used passenger cars.....	59,132	85	20,803,172	75
Used commercial cars.....	2,842	4	1,138,973	4
Total wholesale automotive.....	-	-	\$14,855,561 b/	100
New cars (passenger and commercial).....	-	-	10,991,760	74
Used cars (passenger and commercial).....	-	-	3,863,801	26

a/ Data are based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing.

b/ These amounts are less than those reported in column 1 of table 5 due to the inclusion in that table of data from the sales finance companies that could not provide a breakdown.

Table 7.— Diversified Financing a/
Volume of Paper Acquired During May 1942

Class of paper	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture.....	\$225,938	3
Radio, television sets, pianos and other musical instruments.....	93,331	1
Refrigerators, (gas and electric).....	879,934	12
Other household appliances.....	293,847	4
Residential building repair and modernization..	3,594,841	49
Miscellaneous retail.....	506,525	7
Total retail - other consumers' goods.....	5,594,416 b/	76
Total wholesale - other than automotive.....	1,108,270	15
Industrial, commercial, and farm equipment.....	639,505	9
Total diversified financing.....	\$7,342,191	100

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a/ Data are based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods.

b/ This amount is less than that reported in column 1 of table 5 due to the inclusion in that table of data from the sales finance companies that could not provide a breakdown.