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BUREAU OF THE CENSUS
SEP -3 1942 SALES FINANCE COMPANIES
July 1942

Mr. Robinson
Current
Statistical
Service

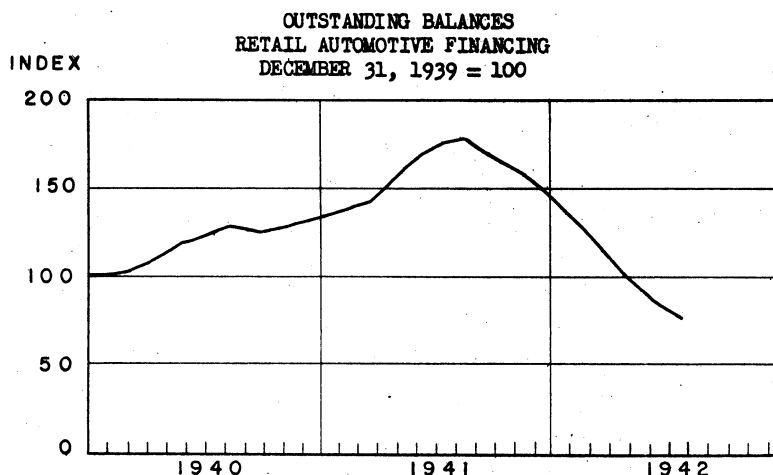
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Sales Finance Companies reported 2 percent more new passenger cars financed during July 1942 than during the preceding month of this year, according to an announcement released today by J. C. Capt, Director of the Census. The July index for the number of new cars financed was 53, showing a 47 percent drop since January 1942, when the index was 100. The dollar volume of paper acquired in new passenger car financing also increased 2 percent over June 1942, the index rising two points to 57, showing July volume 43 percent less than in January 1942. In used passenger car financing, the number decreased 2 percent from June 1942, but the dollar volume showed little change. In new commercial car financing, month ago comparisons show that the number decreased 13 percent, and the dollar volume, 14 percent; while the number and dollar volume of used commercial cars decreased 9 percent and 8 percent, respectively.

Retail automotive outstandings held by sales finance companies were reduced an average of 10 percent during July 1942. A year ago comparison shows a 56 percent drop in these outstanding balances, as shown by an index of 176 for July 31, 1941 and an index of 77 for July 31, 1942.



The volume of wholesale automotive paper acquired by sales finance companies decreased 12 percent for new cars and 3 percent for used cars. The outstanding balances for wholesale financing decreased 9 percent during July 1942 to an index of 175, showing an 11 percent decline from January 31, 1942, when the index was 196.

In retail diversified financing, all classes of paper acquired by sales finance companies showed decreases for July 1942 compared with June 1942. The largest decrease (47%) occurred in the financing of refrigerators, followed by other household appliances (32%), residential building repair and modernization (14%), radios and other musical instruments (10%), furniture (9%), and industrial, commercial, and farm equipment (7%). In wholesale diversified financing, the volume of paper acquired was down 34 percent from June to July of this year. Indexes on diversified financing for July, and for the previous months of 1942, are presented in table 4.

Diversified outstanding balances held by sales finance companies were further reduced in volume during July. Outstanding balances were down 7 percent for the retail financing of other consumers' goods, 5 percent for industrial, commercial, and farm equipment, and 16 percent for wholesale diversified financing (other than automotive). Indexes on outstanding balances for July, and for previous months, are included in table 1.

The ratios of the paper acquired during July 1942 to the outstanding balances as of July 31, 1942 were 5 percent for retail automotive, 4 percent for wholesale automotive, 11 percent for wholesale—other than automotive, 3 percent for retail—other consumers' goods, and 3 percent for industrial, commercial, and farm equipment.

These data on the current trends of sales financing for the month of July were based on reports for June and for July from 270 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 figures presented in tables 5, 6, and 7 of this release are not comparable to those published for previous months, since monthly reports were not received each month from identical sales finance companies. All indexes for July were obtained by calculating the percent changes from June to July, as shown by data on reports for both months from the same sales finance companies, and by linking these percentages to the indexes previously derived for June 1942.

SALES FINANCE COMPANIES

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

	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	140 <u>b/</u>	129	131 <u>b/</u>
1941 - June 30.....	-	171	-	-	-	-
- July 31.....	-	176	-	-	-	-
- Aug. 31.....	-	178	-	-	-	-
- Sep. 30.....	-	170	-	-	-	-
- Oct. 31.....	-	164	-	-	-	-
- Nov. 30.....	-	157	-	-	-	-
- Dec. 31.....	152	149	175	250 <u>b/</u>	148	147 <u>b/</u>
1942 - Jan. 31.....	147	139	196	262 <u>b/</u>	143	144 <u>b/</u>
- Feb. 28.....	143	128	234	293 <u>b/</u>	139	152 <u>b/</u>
- Mar. 31.....	135	116	233	252 <u>b/</u>	135	155 <u>b/</u>
- Apr. 30.....	125	105	222	191 <u>b/</u>	131	156 <u>b/</u>
- May 31.....	115	95	208	153 <u>b/</u>	126	153 <u>b/</u>
- June 30.....	105	86	193	130	118	148
- July 31.....	95	77	175	110	110	140

a/ Indexes for June 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 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.

b/ Revised.

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

Class of paper	January	February	March	April	May	June	July
Total retail automotive..	100	70	78	64	59	61	61
New passenger cars.....	100	22	43	40	58	52	53
New commercial cars....	100	27 <u>b/</u>	45 <u>b/</u>	31 <u>b/</u>	23 <u>b/</u>	25	22
Used passenger cars....	100	77	83	68	60	64	63
Used commercial cars...	100	74 <u>b/</u>	69 <u>b/</u>	55 <u>b/</u>	45 <u>b/</u>	46	42

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a/ Indexes are derived by calculating the percent changes in the number of cars financed by sales finance companies during each month from those financed 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" are based on all figures reported for this item regardless of whether or not a breakdown could be supplied.

b/ Revised.

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

Class of paper	Jan.	Feb.	March	April	May	June	July
Total retail automotive....	100	62	73	57	55	57	58
New passenger cars.....	100	22	46	42	60	55	57
New commercial cars.....	100	28 <u>b/</u>	48 <u>b/</u>	34 <u>b/</u>	25 <u>b/</u>	29	25
Used passenger cars.....	100	73	81	62	55	60	60
Used commercial cars.....	100	76 <u>b/</u>	69 <u>b/</u>	58 <u>b/</u>	47 <u>b/</u>	51	47
Total wholesale automotive.	100	93	39	19	16	12	12
New cars (pass. & comm.).	100	100	37	17	14	10	8
Used cars (pass. & comm.)	100	67	66	40	37	29	29

a/ Indexes are derived by calculating the percent changes in the volume of automotive paper acquired by sales finance companies during each month from the volume 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" and for "Total wholesale automotive" are based on all figures reported for these items regardless of whether or not breakdowns could be supplied.

b/ Revised.

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

Class of paper	Jan.	Feb.	March	April	May	June	July
Total retail, other consumers' goods..	100	103	137	123	108	80	59
Furniture.....	100	88	122	110	97	73	66
Radio, television sets, pianos and other musical instruments.....	100	108	141	72	37	33	30
Refrigerators, (gas and electric)..	100	147	250	132	105	63	34
Other household appliances.....	100	115	169	116	80	46	31
Residential building repair and modernization.....	100	92	119	127	128	98	84
Miscellaneous retail.....	100	144	155	131	131	142	124
Total wholesale, except automotive..	100	128 <u>b/</u>	106 <u>b/</u>	52 <u>b/</u>	24 <u>b/</u>	18	12
Industrial, commercial, and farm equipment.....	100	124 <u>b/</u>	158 <u>b/</u>	162 <u>b/</u>	85 <u>b/</u>	49	46
Total diversified financing...	100	111 <u>b/</u>	130 <u>b/</u>	107 <u>b/</u>	86 <u>b/</u>	62	47

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a/ Indexes are derived by calculating the percent changes in the volume of diversified paper acquired by sales finance companies during each month from the volume 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 other consumers' goods" are based on all figures reported for this item regardless of whether or not a breakdown could be supplied.

b/ Revised.

SALES FINANCE COMPANIES

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

Class of paper	Dollar volume of paper acquired during July 1942		Outstanding balances July 31, 1942 ^{a/}	Ratio of paper acquired to outstanding balances ^{b/}
	By all companies	By all companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$30,245,087	\$29,821,840	\$840,812,200	5
Total wholesale automotive.....	10,998,904	10,930,583	282,880,414	4
Total wholesale - other than automotive....	548,448	496,343	4,695,413	11
Total retail - other consumers' goods.....	7,010,426	6,812,428	213,911,170	3
Industrial, commercial and farm equipment..	554,466	503,659	16,599,494	3
Total sales financings.....	\$49,355,331	\$48,364,813	\$1,158,698,691	4

^{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 6.-- Automotive Financing
Number of Cars Financed and Volume of Paper Acquired During July 1942

Class of paper	Number of cars		Paper acquired	
	Number	Percent of total	Dollar volume	Percent of total
Total retail automotive.....	<u>69,463</u>	<u>100</u>	<u>\$28,355,927</u>	<u>100</u>
New passenger cars.....	6,092	9	4,813,214	17
New commercial cars.....	490	1	581,127	2
Used passenger cars.....	60,171	86	21,803,113	77
Used commercial cars.....	2,710	4	1,158,473	4
Total wholesale automotive.....	-	-	<u>\$8,763,532</u>	<u>100</u>
New cars (passenger and commercial).....	-	-	6,318,354	72
Used cars (passenger and commercial).....	-	-	2,445,178	28

^{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 column 1 of table 5 due to the inclusion in that table of data from some sales finance companies that could not provide a breakdown.

Table 7.-- Diversified Financing
Volume of Paper Acquired During July 1942

Class of paper	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture.....	\$212,053	5
Radio, television sets, pianos and other musical instruments.....	73,904	2
Refrigerators, (gas and electric).....	276,524	6
Other household appliances.....	109,073	2
Residential building repair and modernization..	2,356,714	49
Miscellaneous retail.....	<u>639,906</u>	<u>13</u>
Total retail - other consumers' goods.....	\$3,668,174	77
Total wholesale - other than automotive.....	548,448	11
Industrial, commercial, and farm equipment.....	<u>554,466</u>	<u>12</u>
Total diversified financing.....	\$4,771,088	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. This amount is less than that reported in column 1 of table 5 due to the inclusion in that table of data from some sales finance companies that could not provide a breakdown.