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DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

Current
Statistical
Service

BOARD OF COMMISSIONERS OF THE
FEDERAL RESERVE SYSTEM

SALES FINANCE COMPANIES

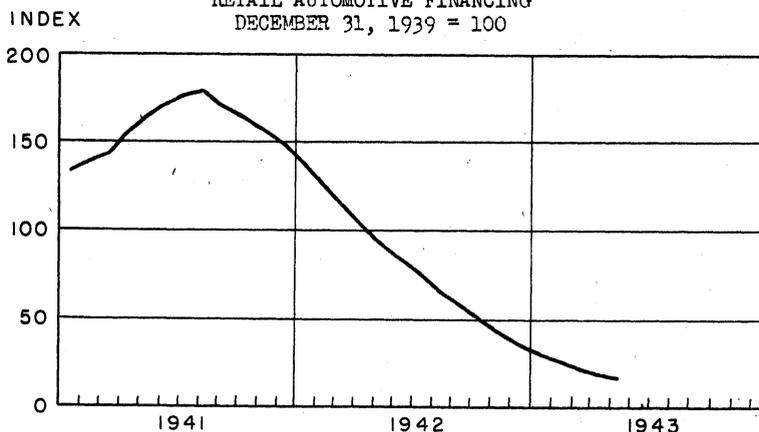
May 1943

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In May 1943, the number of new passenger cars financed by sales finance companies was off 9 percent from that of April of this year, according to an announcement released today by J. C. Capt, Director of the Census. The dollar volume of paper acquired in this type of financing was 7 percent less. A decrease of 4 percent was reported in the number of used passenger cars financed and 3 percent in the dollar volume of paper acquired. The number of new commercial vehicles financed in May was 25 percent under that of April and the dollar volume of paper acquired, 24 percent. Used commercial cars financed dropped 4 percent in number and 5 percent in dollar volume of paper acquired. Data contained in this report are based on a sample survey conducted by the Bureau of the Census.

The volume of retail automotive outstandings held by sales finance companies was 9 percent less as of May 31, 1943 than as of April 30, 1943, carrying the index down to 18 this May from 95 for last May.

OUTSTANDING BALANCES
RETAIL AUTOMOTIVE FINANCING
DECEMBER 31, 1939 = 100



Of the wholesale automotive paper acquired by sales finance companies during May 1943, the volume for both new and used passenger and commercial cars fell off 32 percent from that reported for the preceding month. The volume of outstanding balances for this type of paper continued on its downward trend, declining 13 percent from April 30, 1943 to May 31, 1943.

In retail diversified financing, for May 1943 compared with the preceding month, an increase of 17 percent was registered for refrigerators and household appliances, 14 percent for residential building repair and modernization, and 12 percent for furniture, radios, and musical instruments. The financing of industrial, commercial, and farm equipment, however, was off 8 percent. In wholesale diversified financing, the volume of paper acquired was slightly (2%) less than last month.

Diversified outstanding balances held by sales finance companies were further reduced in volume during May, decreasing 6 percent for industrial, commercial, and farm equipment, 8 percent for the retail financing of other consumers' goods, and 52 percent for wholesale diversified financing (other than automotive).

Paper acquired during May 1943 was 13 percent of the outstanding balances as of May 31, 1943 for retail automotive, 6 percent for wholesale automotive, 22 percent for wholesale—other than automotive, 5 percent for retail—other consumers' goods, and 5 percent for industrial, commercial, and farm equipment.

These data on the current trends of sales financing during May 1943 were based on reports from 219 sales finance companies, and the dollar volumes should not be assumed to represent 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 4, 5, and 6 of this release are not comparable to those published for previous months, since monthly reports have not been 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 on reports for both months from the same sales finance companies, and by linking these percentages to the indexes previously derived for April 1943.

SALES FINANCE COMPANIES

Table 1.--Automotive and Diversified Financing
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 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	129	131
1941 - Dec. 31.....	152	149	175	250	148	147
1942 - May 31.....	115	95	208	153	126	153
- June 30.....	105	86	193	130	118	148
- July 31.....	95	77	175	110	110	140
- Aug. 31.....	84	67	151	97	103	134
- Sept. 30.....	75	59	137	85	96	124
- Oct. 31.....	67	51	124	74	89	110
- Nov. 30.....	60	44	118	52	83	64
- Dec. 31.....	53	37	112	40	76	61
1943 - Jan. 31.....	48	31	107	34	70	60
- Feb. 28.....	42	27	100	30	64	55
- Mar. 31.....	37	22	91	26	58	52
- Apr. 30.....	33	20	81	24	52	49
- May 31.....	30	18	70	12	47	46

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 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.

Table 2.--Relative Importance of Loans made by Sales Finance Companies, May 1943
Volume of Paper Acquired during the Month and Outstanding Balances at the End of the Month

Class of paper	Paper acquired during month		Outstanding balances, end of month	
	Amount	Percent of total	Amount	Percent of total
Total, all classes of paper <u>a/</u>	\$55,784,128	100	\$302,569,360	100
Total loans.....	35,612,998	64	80,415,815	27
Small (personal) loans.....	5,555,550	10	41,673,431	14
Business loans.....	30,057,448	54	38,742,384	13
Total sales financings <u>a/</u>	20,171,130	36	222,153,545	73

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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
Index of Trends, 1942-1943 a/
January 1942 = 100

Item	1942								1943				
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
<u>RETAIL AUTOMOTIVE</u>													
Total number of cars financed.....	59	61	61	54	42	32	27	20	18	21	33	36	35
Total volume of paper acquired.....	55	57	58	52	41	32	25	19	17	21	35	40	39
New passenger cars.....													
Number.....	58	52	53	50	40	23	14	10	9	11	24	33	30
Paper acquired....	60	55	57	54	45	26	16	11	11	13	30	39	36
New commercial cars.....													
Number.....	23	25	22	19	10	8	6	3	4	5	10	14	11
Paper acquired....	25	29	25	23	11	9	8	4	5	6	13	15	12
Used passenger cars.....													
Number.....	60	64	63	55	43	34	28	21	19	22	35	37	36
Paper acquired....	55	60	60	54	42	34	28	22	19	23	37	41	40
Used commercial cars.....													
Number.....	45	46	42	34	28	21	16	12	13	15	15	22	21
Paper acquired....	47	51	47	39	34	28	22	17	20	24	24	35	33
<u>WHOLESALE AUTOMOTIVE</u> (Paper acquired)													
Total volume of paper acquired.....	16	12	12	10	10	9	6	5	5	6	9	9	7
New cars (passenger and commercial).....	14	10	8	7	7	6	5	4	3	3	5	6	4
Used cars (passenger and commercial).....	37	29	29	28	27	29	14	13	14	20	31	32	22
<u>DIVERSIFIED FINANCING</u> (Paper acquired)													
Total diversified financing.....	86	62	47	42	40	46	39	45	23	20	23	24	29
Total retail, other consumers' goods.....	108	80	59	54	52	60	52	60	30	26	28	30	38
Furniture, radios, pianos, etc., Total.....	65	52	47	43	42	47	40	53	39	34	35	27	31
Furniture.....	97	73	66	59	59	64	55	71	62	48	35	27	31
Radios, pianos, other musical instruments.....	37	33	30	31	28	33	29	40	16	22			
Refrigerators & other household appliances, Total.....	95	57	32	26	23	24	17	13	9	8	12	18	22
Refrigerators (gas and electric).....	105	63	34	22	19	23	15	11	7	6	12	18	22
Other household appliances.....	80	46	31	37	36	28	23	21	14	13			
Residential building repair and modernization....	128	98	84	77	76	82	64	142	43	35	40	48	54
Miscellaneous retail.....	131	142	124	117	135	97	87	88	63	51	65	67	101
Total wholesale, except automotive.....	24	18	12	11	9	10	6	3	2	3	3	5	5
Industrial, commercial, and farm equipment.....	85	49	46	31	27	40	30	59	42	27	64	41	38

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a/ Indexes are derived by calculating the percent 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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SALES FINANCE COMPANIES

Table 4.--Automotive and Diversified Financing
Volume of Paper Acquired during May 1943 and Balances Outstanding May 31, 1943

Class of paper	Volume of paper acquired during May 1943		Outstanding balances May 31, 1943 ^{a/}	Ratio paper acquired to outstanding balances ^{b/}
	By all companies	By companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$19,914,557	\$19,371,571	\$145,393,121	13
Total wholesale automotive.....	7,428,276	7,295,640	112,986,037	6
Total wholesale - other than automotive.....	275,529	181,385	823,259	22
Total retail - other consumers' goods.....	4,729,231	4,620,722	94,888,202	5
Industrial, commercial, and farm equipment...	405,456	394,730	7,520,307	5
Total sales financings.....	\$32,753,049	\$31,864,048	\$361,610,926	9

^{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.--Automotive Financing
Number of Cars Financed and Volume of Paper Acquired during May 1943

Class of paper	Number of cars		Paper acquired	
	Number	Percent of total	Dollar volume	Percent of total
Total retail automotive.....	<u>42,002</u>	<u>100</u>	<u>\$19,664,009 ^{a/}</u>	<u>100</u>
New passenger cars.....	3,694	9	3,252,618	17
New commercial cars.....	200	1	220,491	1
Used passenger cars.....	36,758	87	15,450,309	78
Used commercial cars.....	1,350	3	740,591	4
Total wholesale automotive.....	<u>8,649</u>	<u>100</u>	<u>\$6,325,286 ^{a/}</u>	<u>100</u>
New cars (passenger and commercial).....	3,745	43	3,397,733	54
Used cars (passenger and commercial).....	4,904	57	2,927,553	46

^{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.

Table 6.--Diversified Financing
Volume of Paper Acquired during May 1943

Class of paper	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$999,233	18
Refrigerators, and other household appliances.....	307,749	6
Residential building repair and modernization.....	1,705,698	31
Miscellaneous retail.....	<u>1,686,940</u>	<u>32</u>
Total retail - other consumers' goods.....	\$4,699,620 ^{a/}	87
Total wholesale - other than automotive.....	275,529	5
Industrial, commercial, and farm equipment.....	<u>405,456</u>	<u>8</u>
Total diversified financing.....	\$5,380,605	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 table 4 due to the exclusion of some data for which breakdowns were not available.