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BOARD OF GOVERNORS OF THE
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SALES FINANCE COMPANIES
July 1943

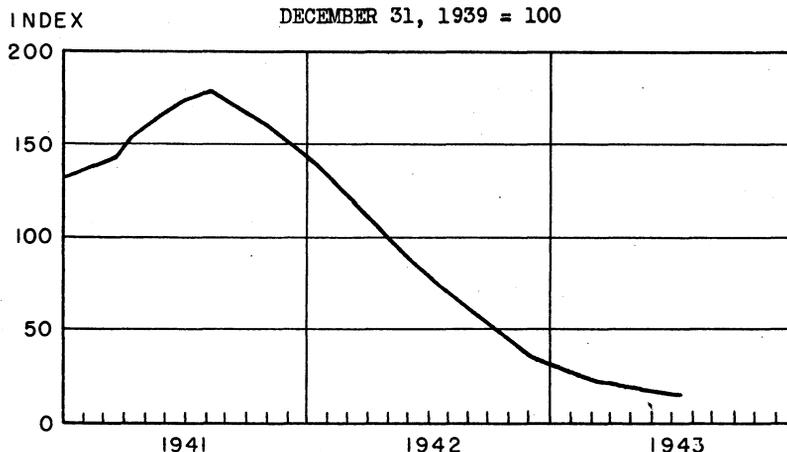
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The number of new passenger cars financed by sales finance companies in July 1943 was off 18 percent from that of June of this year, and the dollar volume of paper acquired in this type of financing decreased 20 percent, according to an announcement released today by J. C. Capt, Director of the Census. The number of used passenger cars financed and the dollar volume of paper acquired fell off by the same amount--4 percent. New commercial vehicles financed dropped 33 percent in number and 40 percent in dollar volume of paper acquired, from June of this year. On the other hand, the number of used commercial cars financed gained 31 percent and the dollar volume of paper acquired, 6 percent. 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 6 percent less as of July 31, 1943 than as of June 30, 1943. The index is now at 15.

OUTSTANDING BALANCES
RETAIL AUTOMOTIVE FINANCING
DECEMBER 31, 1939 = 100



Of the wholesale automotive paper acquired by sales finance companies during July 1943, the volume for new passenger and commercial cars declined 28 percent from that reported for the preceding month, while the volume of used passenger and commercial cars rose 44 percent. The volume of outstanding balances for this type of paper was 6 percent less on July 31 than on June 30, 1943.

In retail diversified financing, for July this year compared with the preceding month, residential building repair and modernization registered a gain of 5 percent, while furniture, radios, and musical instruments reported a drop of 14 percent and refrigerators and household appliances, 41 percent. The financing of wholesale diversified paper decreased 29 percent and of industrial, commercial, and farm equipment, 40 percent, July over June 1943.

Diversified outstanding balances held by sales finance companies during July were reduced 6 percent in volume for industrial, commercial, and farm equipment, 8 percent for the retail financing of other consumers' goods, and 12 percent for wholesale diversified financing (other than automotive).

Paper acquired during July 1943 was 15 percent of the outstanding balances as of July 31, 1943 for retail automotive, 11 percent for wholesale automotive, 17 percent for wholesale--other than automotive, 6 percent for retail--other consumers' goods, and 3 percent for industrial, commercial, and farm equipment.

These data on the current trends of sales financing during July 1943 were based on reports from 211 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 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 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 - 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
- June 30.....	27	16	63	11	44	44
- July 31.....	25	15	59	10	40	41

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, July 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>	\$57,767,705	100	\$262,449,365	100
Total loans.....	36,047,653	62	77,945,015	30
Small (personal) loans.....	4,757,808	8	38,557,502	15
Business loans.....	31,289,845	54	39,387,513	15
Total sales financings <u>a/</u>	21,720,052	38	184,504,350	70

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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						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July
RETAIL AUTOMOTIVE													
Total number of cars financed.....	61	54	42	32	27	20	18	21	33	36	35	34	33
Total volume of paper acquired.....	58	52	41	32	25	19	17	21	35	40	39	38	36
New passenger cars.....Number.....	53	50	40	28	14	10	9	11	24	33	30	23	19
Paper acquired....	57	54	45	26	16	11	11	13	30	39	36	28	23
New commercial cars.....Number.....	22	19	10	8	6	3	4	5	10	14	11	13	9
Paper acquired....	25	23	11	9	8	4	5	6	13	15	12	15	9
Used passenger cars.....Number.....	63	55	43	34	28	21	19	22	35	37	36	37	35
Paper acquired....	60	54	42	34	28	22	19	23	37	41	40	42	41
Used commercial cars.....Number.....	42	34	28	21	16	12	13	15	15	22	21	10	13
Paper acquired....	47	39	34	28	22	17	20	24	24	35	33	18	20
WHOLESALE AUTOMOTIVE (Paper acquired)													
Total volume of paper acquired.....	12	10	10	9	6	5	5	6	9	9	7	9	10
New cars (passenger and commercial).....	8	7	7	6	5	4	3	3	5	6	4	4	3
Used cars (passenger and commercial).....	29	28	27	29	14	13	14	20	31	32	22	33	47
DIVERSIFIED FINANCING (Paper acquired)													
Total diversified financing.....	47	42	40	46	39	45	23	20	23	24	29	31	28
Total retail, other consumers' goods.....	59	54	52	50	52	60	30	26	28	30	38	42	39
Furniture, radios, pianos, etc., Total.....	47	43	42	47	40	53	39	34	35	27	31	33	28
Furniture.....	66	59	59	64	55	71	62	48	35	27	31	33	28
Radios, pianos, other musical instruments.....	30	31	28	33	29	40	16	22	35	27	31	33	28
Refrigerators & other household appliances, Total.	32	26	23	24	17	13	9	8	12	18	22	26	15
Refrigerators (gas and electric).....	34	22	19	23	15	11	7	6	12	18	22	26	15
Other household appliances.....	31	37	36	28	23	21	14	13	12	18	22	26	15
Residential building repair and modernization....	84	77	76	82	64	142	43	35	40	48	54	77	81
Miscellaneous retail.....	124	117	135	97	87	88	63	51	65	67	101	87	78
Total wholesale, except automotive.....	12	11	9	10	6	3	2	3	3	5	5	3	2
Industrial, commercial, and farm equipment.....	46	31	27	40	30	59	42	27	64	41	38	37	22

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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 July 1943 and Balances Outstanding July 31, 1943

Class of paper	Volume of paper acquired during July 1943		Outstanding balances July 31, 1943 <u>a/</u>	Ratio paper acquired to outstanding balances <u>b/</u>
	By all companies	By companies reporting outstanding balances <u>a/</u>		
Total retail automotive.....	\$18,051,666	\$17,526,911	\$119,751,576	15
Total wholesale automotive.....	10,569,796	10,327,411	94,254,092	11
Total wholesale - other than automotive.....	137,911	115,348	672,378	17
Total retail - other consumers' goods.....	4,877,139	4,666,079	80,382,258	6
Industrial, commercial, and farm equipment...	206,572	193,323	6,499,034	3
Total sales financings.....	\$33,843,084	\$32,829,072	\$301,559,338	11

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 July 1943

Class of paper	Number of cars		Paper acquired	
	Number	Percent of total	Dollar volume	Percent of total
Total retail automotive.....	<u>58,060</u>	<u>100</u>	<u>\$17,815,085 a/</u>	<u>100</u>
New passenger cars.....	2,304	6	2,053,167	12
New commercial cars.....	161	1	177,497	1
Used passenger cars.....	34,810	91	15,155,722	85
Used commercial cars.....	785	2	428,699	2
Total wholesale automotive.....	<u>18,109</u>	<u>100</u>	<u>\$9,084,790 a/</u>	<u>100</u>
New cars (passenger and commercial).....	3,069	25	2,580,945	29
Used cars (passenger and commercial).....	9,040	75	6,443,845	71

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 July 1943

Class of paper	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$863,471	17
Refrigerators and other household appliances.....	223,863	4
Residential building repair and modernization.....	2,419,287	46
Miscellaneous retail.....	<u>1,335,790</u>	<u>26</u>
Total retail - other consumers' goods.....	<u>\$4,842,411 a/</u>	<u>93</u>
Total wholesale - other than automotive.....	137,911	3
Industrial, commercial, and farm equipment.....	<u>206,572</u>	<u>4</u>
Total diversified financing.....	\$5,186,894	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.