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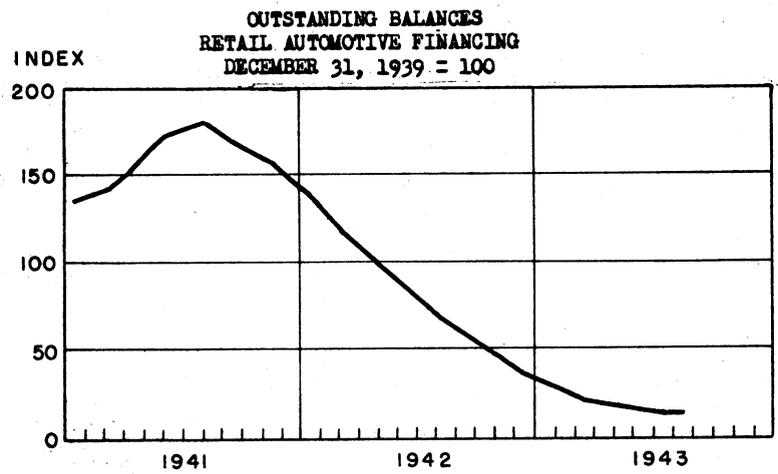
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SALES FINANCE COMPANIES
AUGUST 1943

COPY II

The number of new passenger cars financed by sales finance companies in August 1943 was off 4 percent from that of July of this year, and the dollar volume of paper acquired in this type of financing decreased 2 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 increased 6 percent and 8 percent, respectively. New commercial vehicles financed rose 7 percent in number and 21 percent in dollar volume of paper acquired, from July of this year. The number of used commercial cars financed was approximately the same as in the preceding month of July, while the dollar volume of paper acquired was 12 percent more. 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 4 percent less as of August 31, 1943 than as of July 31, 1943. For the first time in 24 months the index did not drop, but remained at 15, the same as that of July this year.



Of the wholesale automotive paper acquired by sales finance companies during August 1943, the volume of new passenger and commercial cars increased 44 percent from that reported for the preceding month, while the volume of used passenger and commercial cars dropped 21 percent. The volume of outstanding balances for this type of paper was 12 percent less on August 31 than on July 31, 1943.

In retail diversified financing, for August this year compared with the preceding month, residential building repair and modernization registered a gain of 10 percent, while furniture, radios, and musical instruments showed virtually no change, and refrigerators and household appliances declined 7 percent. The financing of wholesale diversified paper decreased 15 percent, but industrial, commercial, and farm equipment gained 28 percent, August over July 1943.

Diversified outstanding balances held by sales finance companies during August were reduced 5 percent in volume for industrial, commercial, and farm equipment, 7 percent for the retail financing of other consumers' goods, and 13 percent for wholesale diversified financing (other than automotive).

Paper acquired during August 1943 was 16 percent of the outstanding balances as of August 31, 1943 for retail automotive, 12 percent for wholesale automotive, 16 percent for wholesale—other than automotive, 7 percent for retail—other consumers' goods, and 4 percent for industrial, commercial, and farm equipment.

These data on the current trends of sales financing during August 1943 were based on reports from 202 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 adjustments 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 August were obtained by calculating the percent changes from July to August 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 July 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 - 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
- Aug. 31.....	23	15	52	8	38	39

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, August 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 a/.....	\$58,965,656	100	\$254,680,059	100
Total loans.....	35,830,056	61	77,624,915	30
Small (personal) loans.....	4,901,703	8	38,925,003	15
Business loans.....	30,928,353	53	38,699,912	15
Total sales financing a/.....	23,135,600	39	177,055,144	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							
	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.
RETAIL AUTOMOTIVE													
Total number of cars financed.....	54	42	32	27	20	18	21	33	36	35	34	33	34
Total volume of paper acquired.....	52	41	32	25	19	17	21	35	40	39	38	36	39
New passenger cars.....Number.....	50	40	23	14	10	9	11	24	33	30	23	19	18
Paper acquired.....	54	45	26	16	11	11	13	30	39	36	28	23	22
New commercial cars.....Number.....	19	10	8	6	3	4	5	10	14	11	13	9	9
Paper acquired.....	23	11	9	8	4	5	6	13	15	12	15	9	11
Used passenger cars.....Number.....	55	43	34	28	21	19	22	35	37	36	37	35	38
Paper acquired.....	54	42	34	28	22	19	23	37	41	40	42	41	44
Used commercial cars.....Number.....	34	28	21	16	12	13	15	15	22	21	10	13	13
Paper acquired.....	39	34	28	22	17	20	24	24	35	33	18	20	22
WHOLESALE AUTOMOTIVE (Paper acquired)													
Total volume of paper acquired.....	10	10	9	6	5	5	6	9	9	7	9	10	9
New cars (passenger and commercial).....	7	7	6	5	4	3	3	5	6	4	4	3	4
Used cars (passenger and commercial).....	28	27	29	14	13	14	20	31	32	22	33	47	37
DIVERSIFIED FINANCING (Paper acquired)													
Total diversified financing.....	42	40	46	39	45	23	20	23	24	29	31	28	30
Total retail, other consumers' goods.....	54	52	60	52	60	30	26	28	30	38	42	39	42
Furniture, radios, pianos, etc., Total.....	43	42	47	40	53	39	34	35	27	31	33	28	28
Furniture.....	59	59	64	55	71	62	48	35	27	31	33	28	28
Radios, pianos, other musical instruments.....	31	28	33	29	40	16	22						
Refrigerators & other household appliances, Total.....	26	23	24	17	13	9	8	12	18	22	26	15	14
Refrigerators (gas and electric).....	22	19	23	15	11	7	6	12	18	22	26	15	14
Other household appliances.....	37	36	28	23	21	14	13						
Residential building repair and modernization....	77	76	82	64	142	43	35	40	48	54	77	81	89
Miscellaneous retail.....	117	135	97	87	88	63	51	65	67	101	87	78	86
Total wholesale, except automotive.....	11	9	10	6	3	2	3	3	5	5	3	2	2
Industrial, commercial, and farm equipment.....	31	27	40	30	59	42	27	64	41	38	37	22	28

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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 August 1943 and Balances Outstanding August 31, 1943

Class of paper	Volume of paper acquired during August 1943		Outstanding balances August 31, 1943 ^{a/}	Ratio paper acquired to outstanding balances ^{b/}
	By all companies	By companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$19,024,687	\$18,371,837	\$113,984,822	16
Total wholesale automotive.....	9,923,458	9,692,116	82,705,339	12
Total wholesale - other than automotive.....	117,506	86,255	554,613	16
Total retail - other consumers' goods.....	5,264,647	5,165,895	75,036,187	7
Industrial, commercial, and farm equipment....	253,292	252,684	6,012,904	4
Total sales financings.....	\$34,583,590	\$33,568,787	\$278,293,865	12

^{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 August 1943

Class of paper	Number of cars		Paper acquired	
	Number	Percent of total	Dollar volume	Percent of total
Total retail automotive.....	<u>39,320</u>	<u>100</u>	<u>\$18,762,728 ^{a/}</u>	<u>100</u>
New passenger cars.....	2,193	6	1,986,811	11
New commercial cars.....	172	^{b/}	215,223	1
Used passenger cars.....	36,163	92	16,075,672	86
Used commercial cars.....	792	2	485,022	2
Total wholesale automotive.....	<u>11,686</u>	<u>100</u>	<u>\$8,801,720 ^{a/}</u>	<u>100</u>
New cars (passenger and commercial).....	3,858	33	3,727,383	42
Used cars (passenger and commercial).....	7,828	67	5,074,337	58

^{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.

^{b/} Less than 0.5 percent.

Table 6.—Diversified Financing
Volume of Paper Acquired During August 1943

Class of paper	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$853,095	15
Refrigerators and other household appliances.....	207,011	4
Residential building repair and modernisation.....	2,660,534	48
Miscellaneous retail.....	1,479,520	26
Total retail - other consumers' goods.....	<u>\$5,200,160 ^{a/}</u>	<u>93</u>
Total wholesale - other than automotive.....	117,506	2
Industrial, commercial, and farm equipment.....	<u>253,292</u>	<u>5</u>
Total diversified financing.....	\$5,570,958	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.