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DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

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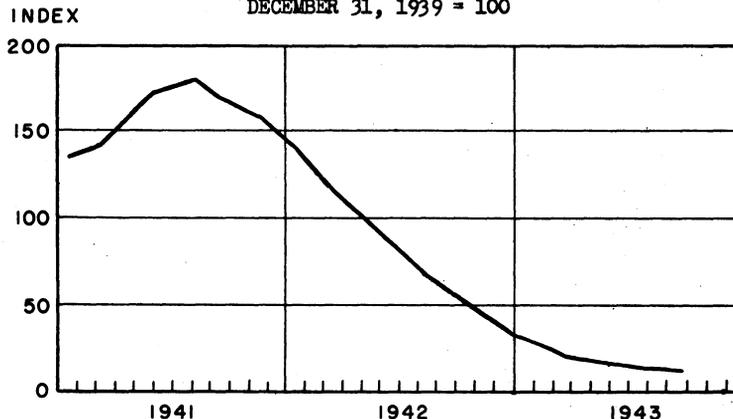
SALES FINANCE COMPANIES
SEPTEMBER 1943

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The number of new passenger cars financed by sales finance companies in September 1943 was off 37 percent from that of August of this year, and the dollar volume of paper acquired in this type of financing also decreased 37 percent, according to an announcement released today by J. C. Capt, Director of the Census. The number of used passenger cars financed dropped back slightly (3%) and the volume of paper acquired showed virtually no change. New commercial vehicles financed rose 173 percent in number and 60 percent in dollar volume of paper acquired, from August of this year. The number of used commercial cars financed this September was 50 percent short of the number recorded for the preceding month, and the dollar volume of paper acquired was 44 percent less. 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 on September 30, 1943 was slightly (2%) less than that reported for the end of August 1943. The index which stood at 59 in September a year ago is now 14.

OUTSTANDING BALANCES
RETAIL AUTOMOTIVE FINANCING
DECEMBER 31, 1939 = 100



Of the wholesale automotive paper acquired by sales finance companies during September 1943, the volume of new passenger and commercial cars decreased 20 percent from that reported for the preceding month, while the volume of used passenger and commercial cars showed a small (3%) gain. The volume of outstanding balances for this type of paper was 9 percent less on September 30 than on August 31, 1943.

In retail diversified financing, for September this year compared with the preceding month, residential building repairs and modernization registered a gain of 6 percent, while decreases of 16 percent were noted for both furniture, radios, and musical instruments and refrigerators, household appliances. The financing of wholesale diversified paper showed practically no change from August 1943, and paper acquired for industrial, commercial, and farm equipment declined 4 percent.

Diversified outstanding balances held by sales finance companies during September were reduced 5 percent in volume for retail financing of other consumers' goods, 9 percent for industrial, commercial, and farm equipment, and 10 percent for wholesale diversified financing (other than automotive).

Paper acquired during September 1943 was 16 percent of the outstanding balances as of September 30, 1943 for retail automotive, 12 percent for wholesale automotive, 22 percent for wholesale—other than automotive, 8 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 September 1943 were based on reports from 204 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 September were obtained by calculating the percent changes from August to September 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 August 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 - 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
- Sept. 30.....	22	14	47	8	36	36

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, September 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 <i>a/</i>	\$62,671,129	100	\$256,623,496	100
Total loans.....	38,320,444	61	82,408,008	32
Small (personal) loans.....	5,527,954	9	39,047,212	15
Business loans.....	32,792,490	52	43,360,796	17
Total sales financing <i>a/</i>	24,350,685	39	174,215,488	68

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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								
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.
RETAIL AUTOMOTIVE													
Total number of cars financed.....	42	32	27	20	18	21	33	36	35	34	33	34	33
Total volume of paper acquired.....	41	32	25	19	17	21	35	40	39	38	36	39	37
New passenger cars.....													
Number.....	40	23	14	10	9	11	24	33	30	23	19	18	11
Paper acquired.....	45	26	16	11	11	13	30	39	36	28	23	22	14
New commercial cars.....													
Number.....	10	8	6	3	4	5	10	14	11	13	9	9	25
Paper acquired.....	11	9	8	4	5	6	13	15	12	15	9	11	18
Used passenger cars.....													
Number.....	43	34	28	21	19	22	35	37	36	37	35	38	36
Paper acquired.....	42	34	28	22	19	23	37	41	40	42	41	44	44
Used commercial cars.....													
Number.....	28	21	16	12	13	15	15	22	21	10	13	13	6
Paper acquired.....	34	28	22	17	20	24	24	35	33	18	20	22	12
WHOLESALE AUTOMOTIVE (Paper acquired)													
Total volume of paper acquired.....	10	9	6	5	5	6	9	9	7	9	10	9	9
New cars (passenger and commercial).....	7	6	5	4	3	3	5	6	4	4	3	4	3
Used cars (passenger and commercial).....	27	29	14	13	14	20	31	32	22	33	47	37	39
DIVERSIFIED FINANCING (Paper acquired)													
Total diversified financing.....	40	46	39	45	23	20	23	24	29	31	28	30	33
Total retail, other consumers' goods.....	52	60	52	60	30	26	28	30	38	42	39	42	47
Furniture, radios, pianos, etc., Total.....	42	47	40	53	39	34	35	27	31	33	28	28	23
Furniture.....	59	64	55	71	62	48							
Radios, pianos, other musical instruments.....	28	33	29	40	16	22	35	27	31	33	28	28	23
Refrigerators & other household appliances, Total.....	23	24	17	13	9	8	12	18	22	26	15	14	12
Refrigerators (gas and electric).....	19	23	15	11	7	6	12	18	22	26	15	14	12
Other household appliances.....	36	28	23	21	14	13							
Residential building repair and modernization.....	76	82	64	142	43	35	40	48	54	77	81	89	94
Miscellaneous retail.....	135	97	87	88	63	51	65	67	101	87	78	86	125
Total wholesale, except automotive.....	9	10	6	3	2	3	3	5	5	3	2	2	2
Industrial, commercial, and farm equipment.....	27	40	30	59	42	27	64	41	38	37	22	28	27

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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 September 1943 and Balances Outstanding September 30, 1943

Class of paper	Volume of paper acquired during September 1943		Outstanding balances September 30, 1943 ^{a/}	Ratio paper acquired to outstanding balances ^{b/}
	By all companies	By companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$19,217,098	\$18,689,748	\$114,728,010	16
Total wholesale automotive.....	9,357,826	9,161,519	75,571,846	12
Total wholesale - other than automotive.....	116,356	108,539	496,982	22
Total retail - other consumers' goods.....	5,406,339	5,311,947	68,716,320	8
Industrial, commercial, and farm equipment...	263,414	262,849	6,748,470	4
Total sales financings.....	\$34,361,033	\$33,534,602	\$266,261,628	13

^{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 September 1943

Class of paper	Number of cars		Paper acquired	
	Number	Percent of total	Dollar volume	Percent of total
Total retail automotive.....	<u>38,724</u>	<u>100</u>	<u>\$18,944,729 ^{a/}</u>	<u>100</u>
New passenger cars.....	1,405	4	1,280,216	7
New commercial cars.....	584	1	907,163	5
Used passenger cars.....	36,333	94	16,482,957	87
Used commercial cars.....	402	1	274,393	1
Total wholesale automotive.....	<u>11,043</u>	<u>100</u>	<u>\$8,148,924 ^{a/}</u>	<u>100</u>
New cars (passenger and commercial).....	3,357	30	2,998,121	37
Used cars (passenger and commercial).....	7,686	70	5,148,803	63

^{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 September 1943

Class of paper	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments....	\$616,796	11
Refrigerators and other household appliances.....	170,835	3
Residential building repair and modernization.....	2,830,532	49
Miscellaneous retail.....	<u>1,770,816</u>	<u>30</u>
Total retail - other consumers' goods.....	<u>\$5,388,979 ^{a/}</u>	<u>93</u>
Total wholesale - other than automotive.....	116,356	2
Industrial, commercial, and farm equipment.....	<u>263,414</u>	<u>5</u>
Total diversified financing.....	\$5,768,749	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.