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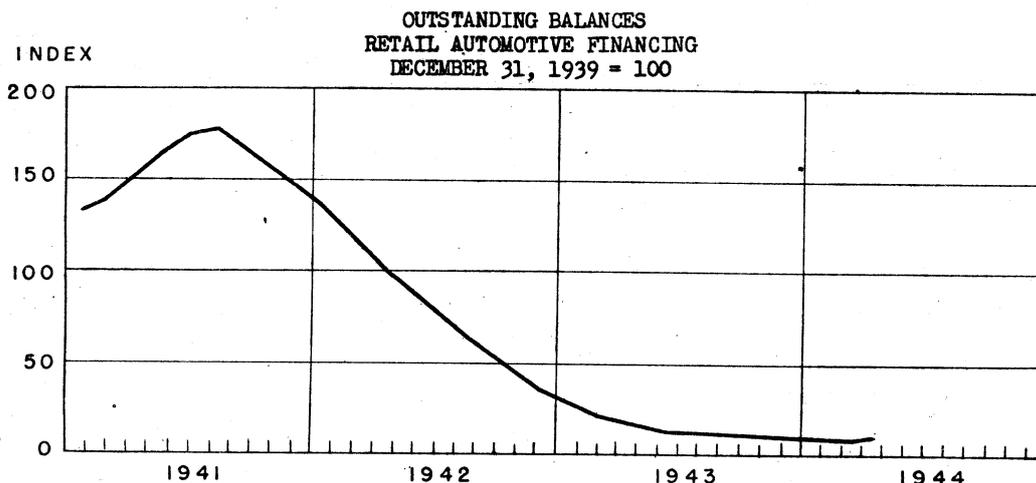
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SALES FINANCE COMPANIES

MAY 1944 Copy 1

Sales finance companies reported a gain of 36 percent in the number of new passenger cars financed in May 1944 compared with those financed the preceding month, and the dollar volume of paper acquired in this type of financing increased 37 percent, according to an announcement released today by J. C. Capt, Director of the Census. A 26 percent increase in the number of used passenger cars financed was reported, along with a dollar volume up 29 percent. Forty-three percent more new commercial vehicles were financed in May than in April this year, and the value of this paper was 28 percent more than that recorded in April. The number of used commercial vehicles was up 31 percent, and the dollar volume of such paper rose 43 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 on May 31, 1944 was 6 percent larger than that reported at the end of April 1944. The index for these outstandings changed from 13, for April this year, to 14, for May--the first rise noted since August 1941.



Of the wholesale automotive paper acquired by sales finance companies during May 1944, the volume for used passenger and commercial cars was 11 percent higher than that reported for April 1944, while the volume for new passenger and commercial cars dropped back 30 percent. The volume of outstanding balances for this type of paper showed a 4 percent decrease from that held at the end of April 1944.

For May 1944 compared with April 1944, in retail diversified financing, residential building repairs and modernization registered a gain of 45 percent in paper acquired; furniture, radios, and musical instruments gained 15 percent; while refrigerators and household appliances dropped back 5 percent. The financing of industrial, commercial, and farm equipment decreased 17 percent, but paper acquired for the wholesale lines (other than automotive) was down only slightly (3%) from the volume reported in April 1944.

Diversified outstanding balances held by sales finance companies at the end of May 1944 were increased slightly (3% and 2%, respectively) for wholesale--other than automotive--and industrial, commercial, and farm equipment, but showed a small (3%) decrease for retail--other consumers' goods. This month, for the first time since December 1941, the index, which is carried each month in this report as table 1, indicated a higher outstanding balance for total sales financing than was registered for the preceding month.

Paper acquired during May 1944 was 33 percent of the outstanding balances as of May 30, 1944 for wholesale automotive, 25 percent for wholesale--other than automotive, 22 percent for retail automotive, 11 percent for retail--other consumers' goods, and 8 percent for industrial, commercial, and farm equipment.

These data on the current trends of sales financing during May 1944 were based on reports from 195 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 May were obtained by calculating the percent changes from April 1944 to May 1944 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 1944.

## 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 - Dec. 31.....	53	37	112	40	76	61
1943 - 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
- Oct. 31.....	21	14	45	7	34	33
- Nov. 30.....	20	14	42	7	32	35
- Dec. 31.....	20	13	40	8	30	27
1944 - Jan. 31.....	19	13	38	10	29	26
- Feb. 29.....	18	13	37	10	27	31
- Mar. 31.....	18	13	37	12	26	30
- Apr. 30.....	18	13	37	11	25	31
- May 31.....	19	14	36	11	24	32

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 1944  
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> .....	\$74,327,761	100	\$237,289,902	100
Total loans.....	36,871,528	50	77,246,139	33
Small (personal) loans.....	6,454,713	9	39,573,745	17
Business loans.....	30,416,815	41	37,672,394	16
Total sales financing <u>a/</u> .....	37,456,233	50	160,043,763	67

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a/ Included in this classification are only those firms which, in addition to their sales financing operations, reported loan activities.

Table 3.--Automotive and Diversified Financing  
Index of Trends, 1943-1944 a/  
January 1942 = 100

Item	1943								1944				
	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May
<u>RETAIL AUTOMOTIVE</u>													
Total number of cars financed.....	35	34	33	34	33	29	28	28	23	26	32	31	39
Total volume of paper acquired.....	39	38	36	39	37	33	32	32	28	31	38	38	49
New passenger cars.....													
Number.....	30	23	19	18	11	11	8	6	8	6	6	6	9
Paper acquired....	36	28	23	22	14	13	10	8	10	8	9	8	12
New commercial cars.....													
Number.....	11	13	9	9	25	20	17	5	8	12	7	10	14
Paper acquired....	12	15	9	11	18	13	12	8	9	12	13	11	15
Used passenger cars.....													
Number.....	36	37	35	38	36	31	31	32	26	29	36	35	44
Paper acquired....	40	42	41	44	44	38	38	38	33	38	47	47	60
Used commercial cars.....													
Number.....	21	10	13	13	6	14	9	10	8	8	10	9	12
Paper acquired....	33	18	20	22	12	27	19	27	16	18	19	17	24
<u>WHOLESALE AUTOMOTIVE</u> (Paper acquired)													
Total volume of paper acquired.....	7	9	10	9	9	10	9	9	11	12	15	17	18
New cars (passenger and commercial).....	4	4	3	4	3	3	2	2	4	3	3	6	4
Used cars (passenger and commercial).....	22	33	47	37	39	50	50	46	50	64	77	79	88
<u>DIVERSIFIED FINANCING</u> (Paper acquired)													
Total diversified financing.....	29	31	28	30	33	30	41	32	30	34	27	29	35
Total retail, other consumers' goods.....	38	42	39	42	47	41	49	42	37	36	34	35	44
Furniture, radios, musical instruments.....	31	33	28	28	23	27	24	26	30	21	21	20	23
Refrigerators and other household appliances.....	22	26	15	14	12	12	15	9	16	9	11	16	15
Residential building repair and modernization.....	54	77	81	89	94	92	115	100	69	73	74	77	111
Miscellaneous retail.....	101	87	78	86	125	75	94	75	80	88	64	65	66
Total wholesale, except automotive.....	5	3	2	2	2	2	2	2	7	4	4	3	3
Industrial, commercial, and farm equipment.....	38	37	22	28	27	38	157	54	54	194	70	89	74

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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 1944 and Balances Outstanding May 31, 1944

Class of paper	Volume of paper acquired during May 1944		Outstanding balances May 31, 1944 <sup>a/</sup>	Ratio paper acquired to outstanding balances <sup>b/</sup>
	By all companies reporting	By companies reporting outstanding balances <sup>a/</sup>		
Total retail automotive.....	\$25,016,917	\$24,616,529	\$112,223,727	22
Total wholesale automotive.....	18,600,388	18,543,297	56,308,393	33
Total wholesale - other than automotive.....	200,541	170,640	690,730	25
Total retail - other consumers' goods.....	5,340,623	5,255,032	47,612,653	11
Industrial, commercial, and farm equipment...	<u>523,833</u>	<u>498,920</u>	<u>6,055,906</u>	<u>8</u>
Total sales financing.....	\$49,682,302	\$49,084,418	\$222,891,409	22

<sup>a/</sup> Data are based on figures from sales finance companies able to report both their paper acquired and their outstanding balances.

<sup>b/</sup> 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 1944

Class of paper	Number of cars		Paper acquired	
	Number	Percent of total	Dollar volume	Percent of total
Total retail automotive.....	<u>45,416</u>	<u>100</u>	<u>\$24,703,404 <sup>a/</sup></u>	<u>100</u>
New passenger cars.....	1,046	2	1,026,930	4
New commercial cars.....	325	1	735,735	3
Used passenger cars.....	43,341	95	22,485,047	91
Used commercial cars.....	704	2	455,692	2
Total wholesale automotive.....	<u>21,474</u>	<u>100</u>	<u>\$15,013,622 <sup>a/</sup></u>	<u>100</u>
New cars (passenger and commercial).....	6,768	32	3,782,482	25
Used cars (passenger and commercial).....	14,706	68	11,231,140	75

<sup>a/</sup> 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 1944

Class of paper	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$728,207	12
Refrigerators and other household appliances.....	209,562	4
Residential building repair and modernization.....	3,395,398	56
Miscellaneous retail.....	<u>982,247</u>	<u>16</u>
Total retail - other consumers' goods.....	\$5,315,414 <sup>a/</sup>	88
Total wholesale - other than automotive.....	200,541	3
Industrial, commercial, and farm equipment.....	<u>523,833</u>	<u>9</u>
Total diversified financing.....	\$6,039,788	100

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<sup>a/</sup> 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.