

For  
Release  
July 31, 1944

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM  
= AUG -2 1944  
LIBRARY

DEPARTMENT OF COMMERCE  
BUREAU OF THE CENSUS

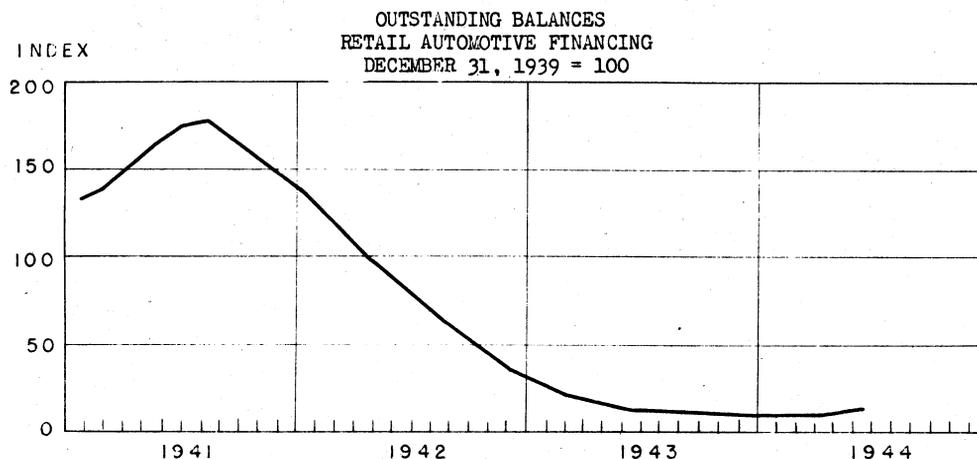
Current  
Statistical  
Service

SALES FINANCE COMPANIES

JUNE 1944 COPY 1

Sales finance companies reported a gain of 7 percent in the number of new passenger cars financed in June 1944 compared with the number financed the preceding month, and the dollar volume of paper acquired in this type of financing increased 10 percent, according to an announcement released today by J. C. Capt, Director of the Census. A small (2%) increase in the number of used passenger cars financed was reported, along with a dollar volume up slightly (3%). Thirty-five percent fewer new commercial vehicles were financed in June than in May this year, and the value of this paper was 12 percent less than that recorded in May. The number of used commercial vehicles was down slightly (2%), but the dollar volume of such paper rose 9 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 June 30, 1944 was 6 percent larger than that reported at the end of May 1944. The index for these outstandings rose from 14 for May this year to 15 for June.



Of the wholesale automotive paper acquired by sales finance companies during June 1944, the volume for new passenger and commercial cars was 11 percent higher than that reported for May 1944, while the volume for used passenger and commercial cars dropped back 16 percent. The volume of outstanding balances for this type of paper showed a 4 percent decrease from that held at the end of May 1944.

For June 1944 compared with May 1944, in retail diversified financing, residential building repairs and modernization registered a gain of 16 percent in paper acquired; refrigerators and household appliances gained 12 percent; while furniture, radios, and musical instruments dropped back 7 percent. The financing of wholesale (other than automotive) increased 25 percent, but paper acquired for industrial, commercial, and farm equipment was down 8 percent.

Diversified outstanding balances held by sales finance companies at the end of June 1944 were increased slightly (2%) for industrial, commercial, and farm equipment, were virtually unchanged for retail--other consumers' goods, and were down slightly (2%) for wholesale--other than automotive. The index for total sales financing in June 1944 (table 1, p. 2) showed no change from May this year, remaining at 19.

Paper acquired during June 1944 was 32 percent of the outstanding balances as of June 30, 1944 for wholesale--other than automotive, 31 percent for wholesale automotive, 21 percent for retail automotive, 12 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 June 1944 were based on reports from 196 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 June were obtained by calculating the percent changes from May 1944 to June 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 May 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 - 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
- June 30.....	19	15	34	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, June 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> .....	\$72,587,852	100	\$227,927,769	100
Total loans.....	35,457,483	49	67,043,072	29
Small (personal) loans.....	5,585,995	8	28,283,316	12
Business loans.....	29,871,488	41	38,759,756	17
Total sales financing <u>a/</u> .....	37,130,369	51	160,884,697	71

Bureau of the Census

Current Statistical Service

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, 1943-1944 a/  
January 1942 = 100

Item	1943							1944					
	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June
<u>RETAIL AUTOMOTIVE</u>													
Total number of cars financed.....	34	33	34	33	29	28	28	23	26	32	31	39	39
Total volume of paper acquired.....	38	36	39	37	33	32	32	28	31	38	38	49	51
New passenger cars.....	23	19	18	11	11	8	6	8	6	6	6	9	9
Number.....	28	23	22	14	13	10	8	10	8	9	8	12	13
Paper acquired....	13	9	9	25	20	17	5	8	12	7	10	14	9
New commercial cars.....	15	9	11	18	13	12	8	9	12	13	11	15	13
Number.....	37	35	38	36	31	31	32	26	29	36	35	44	45
Paper acquired....	42	41	44	44	38	38	38	33	38	47	47	60	62
Used passenger cars.....	10	13	13	6	14	9	10	8	8	10	9	12	12
Number.....	18	20	22	12	27	19	27	16	18	19	17	24	26
Paper acquired....	<u>WHOLESALE AUTOMOTIVE</u> (Paper acquired)												
Total volume of paper acquired.....	9	10	9	9	10	9	9	11	12	15	17	18	16
New cars (passenger and commercial).....	4	3	4	3	3	2	2	4	3	3	6	4	5
Used cars (passenger and commercial).....	33	47	37	39	50	50	46	50	64	77	79	88	74
<u>DIVERSIFIED FINANCING</u> (Paper acquired)													
Total diversified financing.....	31	28	30	33	30	41	32	30	34	27	29	35	37
Total retail, other consumers' goods.....	42	39	42	47	41	49	42	37	36	34	35	44	47
Furniture, radios, musical instruments.....	33	28	28	23	27	24	26	30	21	21	20	23	21
Refrigerators and other household appliances.....	26	15	14	12	12	15	9	16	9	11	16	15	17
Residential building repair and modernization.....	77	81	89	94	92	115	100	69	73	74	77	111	129
Miscellaneous retail.....	87	78	86	125	75	94	75	80	88	64	65	66	58
Total wholesale, except automotive.....	3	2	2	2	2	2	2	7	4	4	3	3	4
Industrial, commercial, and farm equipment.....	37	22	28	27	38	157	54	54	194	70	89	74	68

Bureau of the Census

Current Statistical Service

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.

## SALES FINANCE COMPANIES

Table 4.—Automotive and Diversified Financing  
Volume of Paper Acquired During June 1944 and Balances Outstanding June 30, 1944

Class of paper	Volume of paper acquired during June 1944		Outstanding balances June 30, 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.....	\$26,372,475	\$25,920,381	\$121,108,185	21
Total wholesale automotive.....	16,976,773	16,925,139	55,031,375	31
Total wholesale - other than automotive.....	258,416	235,680	741,157	32
Total retail - other consumers' goods.....	5,323,220	5,223,432	42,810,763	12
Industrial, commercial, and farm equipment..	480,311	476,703	6,131,806	8
Total sales financing.....	\$49,411,195	\$48,781,335	\$225,823,286	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 June 1944

Class of paper	Number of cars		Paper acquired	
	Number	Percent of total	Dollar volume	Percent of total
Total retail automotive.....	47,223	100	\$26,027,281 <sup>a/</sup>	100
New Passenger cars.....	1,117	2	1,128,599	4
New commercial cars.....	214	<sup>b/</sup>	650,471	3
Used passenger cars.....	45,180	96	23,741,231	91
Used commercial cars.....	712	2	506,980	2
Total wholesale automotive.....	19,483	100	\$14,205,223 <sup>a/</sup>	100
New cars (passenger and commercial).....	6,179	32	4,185,253	29
Used cars (passenger and commercial).....	13,304	68	10,019,970	71

<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.

<sup>b/</sup> Less than 0.5 percent.

Table 6.—Diversified Financing  
Volume of Paper Acquired During June 1944

Class of paper	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$673,376	11
Refrigerators and other household appliances.....	234,082	4
Residential building repair and modernization.....	3,540,354	59
Miscellaneous retail.....	861,759	14
Total retail - other consumers' goods.....	\$5,309,571 <sup>a/</sup>	88
Total wholesale - other than automotive.....	258,416	4
Industrial, commercial, and farm equipment.....	480,311	8
Total diversified financing.....	\$6,048,298	100

Bureau of the Census

Current Statistical Service

<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.