

DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS

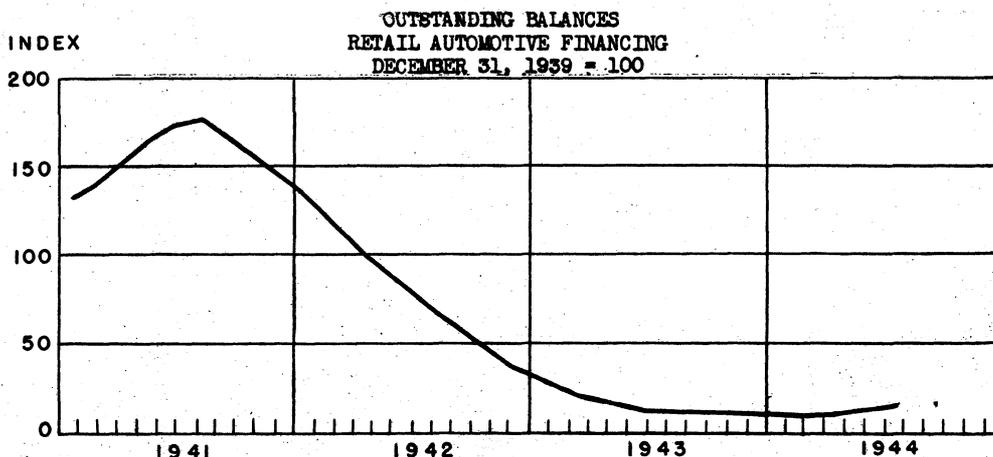
Current
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SALES FINANCE COMPANIES

JULY 1944 COPY 1

Sales finance companies reported a decrease of 40 percent in the number of new passenger cars financed in July 1944 compared with the number financed the preceding month, and the dollar volume of paper acquired in this type of financing also decreased 40 percent, according to an announcement released today by J. C. Capt, Director of the Census. Almost no change in the number of used passenger cars financed was reported, but the dollar volume was up slightly (3%). Sixty-nine percent more new commercial vehicles were financed in July than in June this year, and the value of this paper was 24 percent over that recorded in June. The number of used commercial vehicles was down slightly (3%), and the dollar volume of such paper dropped 10 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 July 31, 1944 was 6 percent larger than that reported at the end of June 1944. The index for these outstandings, which for two and one-half years maintained a downward trend, began to rise in May 1944, going from 13 in April to 14 in May to 15 in June to 16 in July.



Of the wholesale automotive paper acquired by sales finance companies during July 1944, the volume for new passenger and commercial cars was 9 percent short of that reported for June 1944, while the volume for used passenger and commercial cars dropped back 46 percent. The volume of outstanding balances for this type of paper showed a 15 percent decrease from that held at the end of June 1944.

For July 1944 compared with June 1944, in retail diversified financing, furniture, radios, and musical instruments registered virtually no change in paper acquired; refrigerators and household appliances fell off slightly (3%); while residential building repairs and modernization dropped back 8 percent. The financing of industrial, commercial, and farm equipment decreased 8 percent, and wholesale (other than automotive) paper acquired was 17 percent less than that of June 1944.

Diversified outstanding balances held by sales finance companies at the end of July 1944 were increased slightly (2%) for industrial, commercial, and farm equipment, were virtually unchanged for retail—other consumers' goods, and were down 12 percent for wholesale—other than automotive. The index for total sales financing in July 1944 (table 1, page 2) showed no change from May or June this year, remaining at 19.

Paper acquired during July 1944 was 23 percent of the outstanding balances as of July 31, 1944 for wholesale—other than automotive, 22 percent for wholesale automotive, 20 percent for retail automotive, 11 percent for retail—other consumers' goods, and 6 percent for industrial, commercial, and farm equipment.

These data on the current trends of sales financing during July 1944 were based on reports from 197 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 July were obtained by calculating the percent changes from June 1944 to July 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 June 1944.

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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 - 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	35
- 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
- July 31.....	19	16	29	10	24	33

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 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>	\$62,244,988	100	\$240,672,388	100
Total loans.....	31,015,757	50	77,204,512	32
Small (persons' loans).....	6,081,562	10	40,415,943	17
Business loans.....	24,934,195	40	36,788,569	15
Total sales financing <u>a/</u>	31,229,231	50	163,487,876	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.

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

Item	1943						1944						
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July
RETAIL AUTOMOTIVE													
Total number of cars financed.....	33	34	33	29	28	28	23	26	32	31	39	39	39
Total volume of paper acquired.....	36	39	37	33	32	32	28	31	38	38	49	51	51
New passenger cars.....													
Number.....	19	18	11	11	8	8	8	6	6	6	9	9	6
Paper acquired...	23	22	14	13	10	8	10	8	9	8	12	13	8
New commercial cars.....													
Number.....	9	9	25	20	17	5	8	12	7	10	14	9	15
Paper acquired...	9	11	18	13	12	8	9	12	13	11	15	15	16
Used passenger cars.....													
Number.....	35	38	36	31	31	32	26	29	36	35	44	45	45
Paper acquired...	41	44	44	38	38	38	33	38	47	47	60	62	64
Used commercial cars.....													
Number.....	13	13	6	14	9	10	8	8	10	9	12	12	11
Paper acquired...	20	22	12	27	19	27	16	18	19	17	24	26	24
WHOLESALE AUTOMOTIVE (Paper acquired)													
Total volume of paper acquired.....	10	9	9	10	9	9	11	12	15	17	18	16	10
New cars (passenger and commercial).....	3	4	3	3	2	2	4	3	3	6	4	5	4
Used cars (passenger and commercial).....	47	37	39	50	50	48	50	64	77	79	88	74	40
DIVERSIFIED FINANCING (Paper acquired)													
Total diversified financing.....	28	30	33	30	41	32	30	34	27	29	35	37	35
Total retail, other consumers' goods.....	39	42	47	41	49	42	37	36	34	35	44	47	45
Furniture, radios, musical instruments.....	28	28	23	27	24	26	30	21	21	20	23	21	21
Refrigerators and other household appliances.....	15	14	12	12	15	9	16	9	11	16	15	17	17
Residential building repair and modernization.....	81	89	94	92	115	100	69	73	74	77	111	129	118
Miscellaneous retail.....	78	86	125	75	94	75	80	88	64	65	66	58	61
Total wholesale, except automotive.....	2	2	2	2	2	2	7	4	4	3	3	4	3
Industrial, commercial, and farm equipment.....	22	28	27	38	157	54	54	194	70	89	74	68	63

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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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Table 4.—Automotive and Diversified Financing
Volume of Paper Acquired During July 1944 and Balances Outstanding July 31, 1944

Class of paper	Volume of paper acquired during July 1944		Outstanding balances July 31, 1944 a/	Ratio paper acquired to outstanding balances b/
	By all companies reporting	By companies reporting outstanding balances a/		
Total retail automotive.....	\$26,496,337	\$26,070,011	\$128,067,812	20
Total wholesale automotive.....	10,554,507	10,435,095	47,147,268	22
Total wholesale - other than automotive.....	186,421	135,554	579,888	23
Total retail - other consumers' goods.....	5,407,471	5,232,803	46,700,978	11
Industrial, commercial, and farm equipment..	367,360	356,189	5,733,745	6
Total sales financing.....	\$42,992,098	\$42,229,652	\$228,229,691	19

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 1944

Class of paper	Number of cars		Paper acquired	
	Number	Percent of total	Dollar volume	Percent of total
Total retail automotive.....	46,390	100	\$26,186,722 a/	100
New passenger cars.....	689	1	678,578	2
New commercial cars.....	354	1	799,928	3
Used passenger cars.....	44,678	96	24,249,820	93
Used commercial cars.....	689	2	458,596	2
Total wholesale automotive.....	15,209	100	\$9,230,059 a/	100
New cars (passenger and commercial).....	7,506	49	3,881,799	42
Used cars (passenger and commercial).....	7,703	51	5,398,260	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.

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

Class of paper	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$540,883	9
Refrigerators and other household appliances.....	186,074	3
Residential building repair and modernization.....	3,614,302	61
Miscellaneous retail.....	1,047,097	16
Total retail - other consumers' goods.....	\$5,388,356 a/	91
Total wholesale - other than automotive.....	166,421	3
Industrial, commercial, and farm equipment.....	367,360	6
Total diversified financing.....	\$5,922,137	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.