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SALES FINANCE COMPANIES
OCTOBER 1944

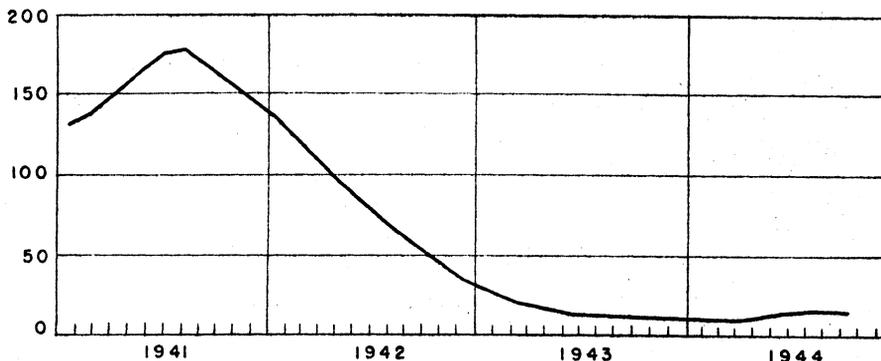
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Reports from sales finance companies showed an increase of 6 percent in the number of new passenger cars financed in October 1944 compared with the number financed the preceding month, and the dollar volume of paper acquired in this type of financing increased 7 percent, according to an announcement released today by J. C. Capt, Director of the Census. A 7 percent gain in the number of used passenger cars financed was reported, and the dollar volume rose 7 percent also. Ten percent fewer new commercial vehicles were financed in October than in September this year, and the value of this paper was down 6 percent from that recorded in September. The number of used commercial vehicles was approximately the same as for September this year, and 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 October 31, 1944 was virtually the same as that reported at the end of September 1944. The index for these outstandings did not change, but remained at 16 for the fourth consecutive month.

OUTSTANDING BALANCES
RETAIL AUTOMOTIVE FINANCING
DECEMBER 31, 1939 = 100

INDEX



Of the wholesale automotive paper acquired by sales finance companies during October 1944, the volume for used passenger and commercial cars was 9 percent over that reported for September 1944, while the volume for new passenger and commercial cars gained 11 percent. The volume of outstanding balances for this type of paper showed a 5 percent decrease from that held at the end of September 1944.

For October 1944 compared with September 1944, in retail diversified financing, refrigerators and household appliances registered a 28 percent increase in paper acquired, and furniture, radios, and musical instruments gained 26 percent; while for residential building repairs and modernization only a slight (3%) increase was noted. The financing of wholesale (other than automotive) transactions was 26 percent more than for September 1944, and the amount of industrial, commercial, and farm equipment paper increased 42 percent.

Diversified outstanding balances held by sales finance companies at the end of October 1944 were decreased 11 percent for wholesale—other than automotive, were down slightly (2%) for industrial, commercial, and farm equipment, and showed almost no change for retail—other consumers' goods. The index for total sales finance outstandings (Table 1, p. 2) remained at 19 in October this year, showing no change for the sixth consecutive month.

Paper acquired during October 1944 was 34 percent of the outstanding balances as of October 31, 1944 for wholesale automotive, 27 percent for wholesale—other than automotive, 16 percent for retail automotive, 13 percent for retail—other consumers' goods, and 9 percent for industrial, commercial, and farm equipment.

These data on the current trends of sales financing during October 1944 were based on reports from 193 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 October were obtained by calculating the percent changes from September 1944 to October 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 September 1944.

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 - 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
- July 31.....	19	16	29	10	24	33
- Aug. 31.....	19	16	26	10	24	27
- Sept. 30.....	19	16	25	12	25	27
- Oct. 31.....	19	16	24	10	25	27

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 for 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, October 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>	\$63,065,892	100	\$244,865,327	100
Total loans.....	31,443,747	50	77,795,457	32
Small (personal) loans.....	6,378,506	10	40,278,872	17
Business loans.....	25,065,241	40	37,516,585	15
Total sales financing <u>a/</u>	31,622,145	50	167,069,870	68

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									
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.
<u>RETAIL AUTOMOTIVE</u>													
Total number of cars financed.....	29	28	28	23	26	32	31	39	39	39	37	30	32
Total volume of paper acquired.....	33	32	32	28	31	38	38	49	51	51	48	40	42
New passenger cars.....													
Number.....	11	8	6	8	6	6	6	9	9	6	6	4	4
Paper acquired...	13	10	8	10	8	9	8	12	13	8	8	6	6
New commercial cars.....													
Number.....	20	17	5	8	12	7	10	14	9	15	18	30	27
Paper acquired...	13	12	8	9	12	13	11	15	13	16	20	24	22
Used passenger cars.....													
Number.....	31	31	32	26	29	36	35	44	45	45	42	34	36
Paper acquired...	38	38	38	33	38	47	47	60	62	64	59	48	51
Used commercial cars.....													
Number.....	14	9	10	8	8	10	9	12	12	11	12	16	16
Paper acquired...	27	19	27	16	18	19	17	24	26	24	23	31	34
<u>WHOLESALE AUTOMOTIVE</u> (Paper acquired)													
Total volume of paper acquired.....	10	9	9	11	12	15	17	18	16	10	12	12	12
New cars (passenger and commercial).....	3	2	2	4	3	3	6	4	5	4	5	4	4
Used cars (passenger and commercial).....	50	50	46	50	64	77	79	88	74	40	51	52	57
<u>DIVERSIFIED FINANCING</u> (Paper acquired)													
Total diversified financing.....	30	41	32	30	34	27	29	35	37	35	43	42	45
Total retail, other consumers' goods.....	41	49	42	37	36	34	35	44	47	45	56	56	59
Furniture, radios, musical instruments.....	27	24	26	30	21	21	20	23	21	21	22	23	29
Refrigerators and other household appliances.....	12	15	9	16	9	11	16	15	17	17	18	13	17
Residential building repair and modernization.....	92	115	100	69	73	74	77	111	129	118	142	131	136
Miscellaneous retail.....	75	94	75	80	88	64	65	66	58	61	99	115	113
Total wholesale, except automotive.....	2	2	2	7	4	4	3	3	4	3	4	3	4
Industrial, commercial, and farm equipment.....	38	157	54	54	194	70	89	74	68	63	52	48	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.

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

Class of Paper	Volume of paper acquired during October 1944		Outstanding balances October 31, 1944 <u>a/</u>	Ratio paper acquired to outstanding balances <u>b/</u>
	By all companies reporting	By companies reporting outstanding balances <u>a/</u>		
Total retail automotive.....	\$22,086,815	\$21,710,154	\$133,692,708	16
Total wholesale automotive.....	13,413,880	13,338,792	38,795,235	34
Total wholesale - other than automotive....	178,702	133,497	502,867	27
Total retail - other consumers' goods.....	6,466,033	6,358,089	49,252,746	13
Industrial, commercial, and farm equipment.	407,902	404,547	4,718,654	9
Total sales financing.....	\$42,553,332	\$41,945,079	\$228,962,210	18

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 October 1944

Class of paper	Number of cars		Paper acquired	
	Number	Percent of total	Dollar volume	Percent of total
Total retail automotive.....	<u>38,890</u>	<u>100</u>	<u>\$21,855,603 <u>a/</u></u>	<u>100</u>
New passenger cars.....	512	1	548,344	3
New commercial cars.....	652	2	1,119,309	5
Used passenger cars.....	36,771	95	19,517,839	89
Used commercial cars.....	955	2	670,111	3
Total wholesale automotive.....	<u>16,118</u>	<u>100</u>	<u>\$11,720,335 <u>a/</u></u>	<u>100</u>
New cars (passenger and commercial).....	5,153	32	3,926,875	34
Used cars (passenger and commercial).....	10,965	68	7,793,460	66

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 October 1944

Class of paper	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$935,664	13
Refrigerators and other household appliances.....	225,121	3
Residential building repair and modernization.....	4,093,388	58
Miscellaneous retail.....	<u>1,190,142</u>	<u>17</u>
Total retail - other consumers' goods.....	\$6,444,315 <u>a/</u>	91
Total wholesale - other than automotive.....	178,702	3
Industrial, commercial, and farm equipment.....	<u>407,902</u>	<u>6</u>
Total diversified financing.....	\$7,030,919	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.