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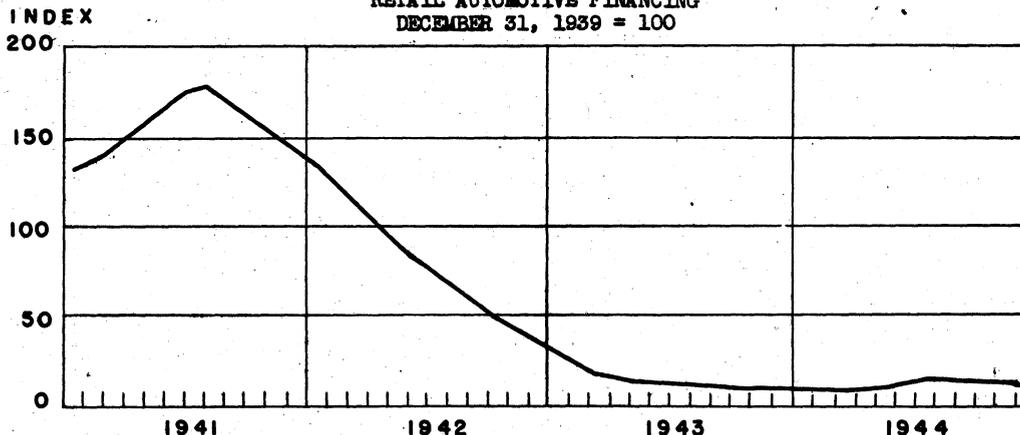
SALES FINANCE COMPANIES
DECEMBER 1944

COPY 1

Sales finance companies reported a decrease of 14 percent in the number of new passenger cars financed in December 1944 compared with the number financed the preceding month, and the dollar volume of paper acquired in this type of financing decreased 11 percent, according to an announcement released today by J. C. Capt, Director of the Census. A 16 percent drop in the number of used passenger cars financed was reported, and the dollar volume was down 17 percent. Thirty-five percent more new commercial vehicles were financed in December than in November 1944, and the value of this paper was 31 percent over that recorded in November. The number of used commercial vehicles was up 58 percent, and the dollar volume of such paper rose 65 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 December 31, 1944 was down slightly (3%) from that reported at the end of November 1944. The index for these outstandings dropped from 16 to 15.

OUTSTANDING BALANCES
RETAIL AUTOMOTIVE FINANCING
DECEMBER 31, 1939 = 100



Of the wholesale automotive paper acquired by sales finance companies during December 1944, the volume for used passenger and commercial cars was up 18 percent over that reported for November 1944, and the volume for new passenger and commercial cars rose 17 percent. The volume of outstanding balances for this type of paper showed a 4 percent increase from that held at the end of November 1944.

For December 1944 compared with November 1944, in retail diversified financing, furniture, radios, and musical instruments registered a 4 percent increase in paper acquired; refrigerators and household appliances showed virtually no change; but residential building repairs and modernization dropped off 14 percent. The financing of wholesale (other than automotive) transactions was up slightly (2%), while the amount of industrial, commercial, and farm equipment paper increased 12 percent.

Diversified outstanding balances held by sales finance companies at the end of December 1944 increased 6 percent for wholesale—other than automotive, were up slightly (2%) for retail—other consumers' goods, and decreased 6 percent for industrial, commercial, and farm equipment. The index for total sales finance outstandings remained at 18 in December 1944, showing no change from November this year.

Paper acquired during December 1944 was 39 percent of the outstanding balances as of December 31, 1944 for wholesale automotive, 27 percent for wholesale—other than automotive, 13 percent for retail automotive, 12 percent for retail—other consumers' goods, and 5 percent for industrial, commercial, and farm equipment.

These data on the current trends of sales financing during December 1944 were based on reports from 189 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 December were obtained by calculating the percent changes from November 1944 to December 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 November 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	78	61
1943 - 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
- Nov. 30.....	18	16	23	10	26	25
- Dec. 31.....	18	15	24	11	26	23

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, December 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>	\$65,362,327	100	\$235,954,986	100
Total loans.....	35,387,201	54	70,447,802	30
Small (personal) loans.....	7,993,421	12	31,363,198	13
Business loans.....	27,393,780	42	39,084,604	17
Total sales financing <u>a/</u>	29,975,126	46	165,507,184	70

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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, 1943-1944 a/
January 1942 = 100

ITEM	1944												
	Dec.	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
<u>RETAIL AUTOMOTIVE</u>													
Total number of cars financed.....	28	23	26	32	31	39	39	39	37	30	32	29	25
Total volume of paper acquired.....	32	28	31	38	38	49	51	51	48	40	42	37	33
New passenger cars.....Number.....	6	8	6	6	6	9	9	6	6	4	4	4	3
Paper acquired..	8	10	8	9	8	12	13	8	8	6	6	5	5
New commercial cars.....Number.....	5	8	12	7	10	14	9	15	18	30	27	22	30
Paper acquired..	8	9	12	13	11	15	13	16	20	24	22	19	25
Used passenger cars.....Number.....	32	28	29	36	35	44	45	45	42	34	36	32	27
Paper acquired..	38	33	38	47	47	60	62	64	59	48	51	45	37
Used commercial cars.....Number.....	10	8	8	10	9	12	12	11	12	18	18	14	22
Paper acquired..	27	18	18	19	17	24	26	24	23	31	34	28	46
<u>WHOLESALE AUTOMOTIVE</u> (Paper acquired)													
Total volume of paper acquired.....	9	11	12	15	17	18	18	10	12	12	12	12	14
New cars (passenger and commercial).....	2	4	3	3	6	4	5	4	5	4	4	4	5
Used cars (passenger and commercial).....	46	50	64	77	79	88	74	40	51	52	57	55	65
<u>DIVERSIFIED FINANCING</u> (Paper acquired)													
Total diversified financing.....	32	30	34	27	29	35	37	35	43	42	45	44	45
Total retail, other consumers' goods.....	42	37	36	34	35	44	47	45	56	58	59	58	59
Furniture, radios, musical instruments.....	26	30	21	21	20	23	21	21	22	23	29	23	24
Refrigerators and other household appliances....	9	18	9	11	16	15	17	17	18	13	17	14	14
Residential building repairs and modernization..	100	69	73	74	77	111	129	118	142	131	136	133	114
Miscellaneous retail.....	75	80	88	64	65	66	58	61	99	115	113	139	207
Total wholesale, except automotive.....	2	7	4	4	3	3	4	3	4	3	4	5	5
Industrial, commercial, and farm equipment.....	54	54	194	70	89	74	68	63	52	48	68	35	39

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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 December 1944 and Balances Outstanding December 31, 1944

Class of Paper	Volume of paper acquired during December 1944		Outstanding balances December 31, 1944 ^{a/}	Ratio paper acquired to outstanding balances ^{b/}
	By all companies reporting	By companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$16,850,641	\$16,533,757	\$128,155,257	13
Total wholesale automotive.....	15,215,201	15,127,928	38,735,631	39
Total wholesale - other than automotive....	216,918	198,192	733,482	27
Total retail - other consumers' goods.....	5,742,302	5,598,019	44,869,569	12
Industrial, commercial, and farm equipment.	199,010	190,806	3,911,979	5
Total sales financing.....	\$38,224,072	\$37,648,702	\$216,405,918	17

^{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 December 1944

Class of paper :	Number of cars		Paper acquired	
	Number	Percent of total	Dollar volume	Percent of total
Total retail automotive.....	30,187	100	\$16,577,416 ^{a/}	100
New passenger cars.....	378	1	411,374	2
New commercial cars.....	717	3	845,044	5
Used passenger cars.....	27,816	92	14,408,375	87
Used commercial cars.....	1,276	4	912,623	6
Total wholesale automotive.....	17,280	100	\$13,280,996 ^{a/}	100
New cars (passenger and commercial).....	4,933	29	4,255,790	32
Used cars (passenger and commercial).....	12,347	71	9,025,206	68

^{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 December 1944

Class of paper ¹	Dollar volume	Percent of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments.	\$626,151	10
Refrigerators and other household appliances.....	185,823	3
Residential building repairs and modernization.....	3,101,506	50
Miscellaneous retail.....	1,812,090	30
Total retail - other consumers' goods.....	\$5,725,570 ^{a/}	93
Total wholesale - other than automotive.....	216,918	4
Industrial, commercial, and farm equipment.....	199,010	3
Total diversified financing.....	\$6,141,498	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.