

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

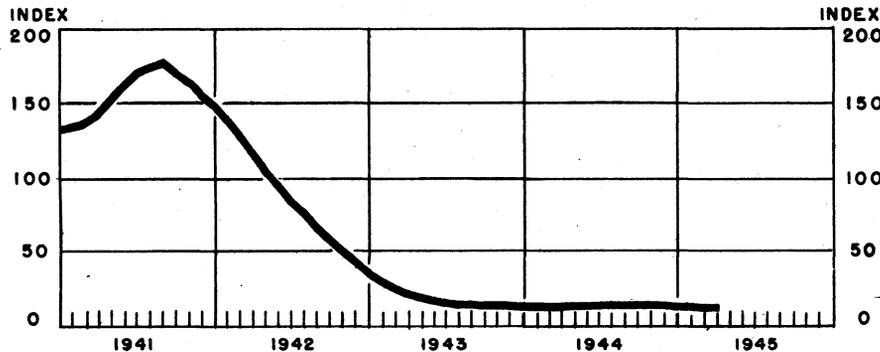
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SALES FINANCE COMPANIES
MARCH 1945

The number of used passenger cars financed by sales finance companies increased 30 per cent during March and the dollar volume of paper purchased showed about the same percentage gain. New passenger car financing increased 8 per cent in number during the month, and about 9 per cent in the dollar amount of paper acquired. There was a rise of approximately 38 per cent in the number of new commercial vehicles financed in March and a somewhat smaller increase in the amount of such paper purchased. The number of used commercial cars financed in March was up 26 per cent over that for the preceding month and the dollar amount of paper purchased increased 34 per cent.

The volume of retail automotive outstandings held by sales finance companies on March 31 was only slightly less than a month earlier. The index for these outstanding balances, as shown on the chart below, remained unchanged at 14.

Retail Automotive Financing by Sales Finance Companies
Outstanding Balances at End of Month, December 31, 1939 = 100



Wholesale automotive outstandings held by sales finance companies increased about 1 per cent during March. Paper arising from wholesale sales of new passenger and commercial cars acquired during the month was about 27 per cent higher than in the preceding month, while the volume from wholesale transactions in used cars, both passenger and commercial, was nearly 10 per cent above last month.

The March volume of retail diversified financing was about 16 per cent larger than in the preceding month and balances outstanding were up slightly. Paper arising from retail sales of furniture, radios and musical instruments was 38 per cent above last month, and the volume based on sales of refrigerators and other household appliances was one third above the February volume. The amount of residential repair and modernization paper acquired during March was one fifth larger than the preceding month's acquisitions.

Wholesale automotive paper purchased during March was equivalent to 47 per cent of the balance outstanding at the end of the month. Retail automotive paper purchased was 17 per cent and other retail consumer paper acquired was 11 per cent of the respective balances outstanding at the end of March. The volume of industrial, commercial, and farm equipment paper acquired during the month was 20 per cent of the balances outstanding on March 31.

Note.--Collection of statistics from sales finance companies was transferred to the Board of Governors of the Federal Reserve System, effective with the February 1945 report. These data were formerly compiled by the Bureau of the Census, United States Department of Commerce. The purpose of this transfer was to centralize in a single agency the collection of statistics in the instalment sales financing and consumer loan fields, thus facilitating more orderly coverage and avoiding unnecessary overlapping of reporting groups.

March data, based on returns from 180 sales finance companies, are compiled in the same manner as those shown in earlier reports. Aggregates represent only the totals for the reporting companies and, since the reporting sample is not identical from month to month, they are not comparable with totals of preceding months.

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Table 1.--Automotive and Diversified Financing by Sales Finance Companies
Indexes of Outstanding Balances: December 31, 1939 = 100 ^{a/}

End of month and year	Total all sales financing	Retail automotive	Wholesale automotive	Wholesale other than automotive	Retail other consumers' goods	Industrial, commercial, and farm equipment
1939.....	100	100	100	100	100	100
1940.....	136	132	169	140	129	131
1941.....	152	149	175	250	148	147
1942.....	53	37	112	40	76	61
1943.....	20	13	40	8	30	27
1944.....	18	15	24	11	26	26
1944 - March.....	18	13	37	12	26	30
April.....	18	13	37	11	25	31
May.....	19	14	36	11	24	32
June.....	19	15	34	11	24	32
July.....	19	16	29	10	24	33
August.....	19	16	26	10	24	27
September.....	19	16	25	12	25	27
October.....	19	16	24	10	25	27
November.....	18	16	23	10	26	25
December.....	18	15	24	11	26	23
1945 - January.....	18	15	25	14	26	27
February.....	18	14	26	15	26	26
March.....	18	14	26	18	26	30

^{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 percentage 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
During March 1945 and Outstanding Balances at End of Month

Class of paper	Paper acquired during month		Outstanding balances, end of month	
	Amount	Percentage of total	Amount	Percentage of total
Total, all classes of paper ^{a/}	\$83,194,538	100	\$289,396,862	100
Total loans.....	38,140,419	46	86,183,642	30
Small (personal) loans.....	9,073,151	11	43,578,881	15
Business loans.....	29,067,268	35	42,604,761	15
Total sales financing ^{a/}	45,054,119	54	203,213,220	70

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

Correction.--February figures for small (personal) loans and business loans as percentage of total paper acquired during the month should have read 9 per cent and 42 per cent, respectively.

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Table 3.--Automotive and Diversified Financing by Sales Finance Companies
January 1942 = 100 ^{a/}

ITEM	1944										1945		
	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
<u>RETAIL AUTOMOTIVE</u>													
Total number of cars financed.....	32	31	39	39	39	37	30	32	29	25	24	24	32
Total volume of paper acquired.....	38	38	49	51	51	48	40	42	37	33	31	31	41
New passenger cars.....Number.....	6	6	9	9	6	6	4	4	4	3	3	2	3
Paper acquired.....	9	8	12	13	8	8	6	6	5	5	4	3	4
New commercial cars.....Number.....	7	10	14	9	15	18	30	27	22	30	22	18	25
Paper acquired.....	13	11	15	13	16	20	24	22	19	25	21	17	24
Used passenger cars.....Number.....	36	35	44	45	45	42	34	36	32	27	26	27	35
Paper acquired.....	47	47	60	62	64	59	48	51	45	37	36	37	48
Used commercial cars.....Number.....	10	9	12	12	11	12	16	16	14	22	17	15	19
Paper acquired.....	19	17	24	26	24	23	31	34	28	46	36	30	40
<u>WHOLESALE AUTOMOTIVE</u> (Paper acquired)													
Total volume of paper acquired.....	15	17	18	16	10	12	12	12	12	14	16	15	18
New cars (passenger and commercial).....	3	6	4	5	4	5	4	4	4	5	6	4	6
Used cars (passenger and commercial).....	77	79	88	74	40	51	52	57	55	65	71	73	80
<u>DIVERSIFIED FINANCING</u> (Paper acquired)													
Total diversified financing.....	27	29	35	37	35	43	42	45	44	45	44	38	49
Total retail, other consumers' goods.....	34	35	44	47	45	56	56	59	58	59	53	48	55
Furniture, radios, musical instruments.....	21	20	23	21	21	22	23	29	23	24	27	19	26
Refrigerators and other household appliances...	11	16	15	17	17	18	13	17	14	14	17	16	22
Residential building repairs and modernization.	74	77	111	129	118	142	131	136	133	114	99	94	114
Miscellaneous retail.....	64	65	66	58	61	99	115	113	139	207	172	154	143
Total wholesale, except automotive.....	4	3	3	4	3	4	3	4	5	5	13	7	10
Industrial, commercial, and farm equipment.....	70	89	74	68	63	52	48	68	35	39	54	55	206

a/ Indexes are derived by calculating the percentage 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 by Sales Finance Companies
Paper Acquired During March 1945 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during March 1945		Outstanding balances March 31, 1945 ^{a/}	Ratio paper acquired to outstanding balances ^{b/}
	By all companies reporting	By companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$20,583,873	\$20,063,981	\$115,873,790	17
Total wholesale automotive.....	19,436,081	19,361,287	41,569,625	47
Total wholesale - other than automotive...	439,198	406,136	1,146,370	35
Total retail - other consumers' goods.....	5,826,610	5,587,384	50,623,367	11
Industrial, commercial, and farm equipment	1,062,825	1,053,510	5,259,484	20
Total sales financing.....	\$47,348,587	\$46,472,298	\$214,472,636	22

^{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.--Number of Cars Financed and Volume of Paper Acquired
by Sales Finance Companies During March 1945

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	33,034	100	\$17,842,449 ^{a/}	100
New passenger cars.....	157	^{b/} 2	174,846	1
New commercial cars.....	612	2	789,536	4
Used passenger cars.....	31,055	94	16,047,833	90
Used commercial cars.....	1,210	4	830,234	5
Total wholesale automotive.....	21,003	100	\$16,308,829 ^{a/}	100
New cars (passenger and commercial)..	6,665	32	5,239,111	32
Used cars (passenger and commercial)..	14,338	68	11,069,718	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.

^{b/} Less than one half of one per cent.

Table 6.--Volume of Diversified Sales Financing During March 1945

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$820,839	11
Refrigerators and other household appliances.....	170,244	2
Residential building repairs and modernization.....	3,424,354	47
Miscellaneous retail.....	1,366,084	19
Total retail - other consumers' goods.....	\$5,781,521 ^{a/}	79
Total wholesale - other than automotive.....	439,198	6
Industrial, commercial, and farm equipment.....	1,062,825	15
Total diversified financing.....	7,283,544	100

^{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.