

**BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM**

NOVEMBER 1947

**SALES FINANCE COMPANIES**

Retail financing.—Sales finance companies reported mixed trends in November in the retail volume of financing of various types of vehicles and other goods. Outstanding balances, however, continued to expand during the month.

The number of vehicles financed in November was 8 per cent less than in the preceding month, but the dollar volume of financing rose slightly. This increase in dollar volume and the decline in unit volume shown in the table below, implies a substantial rise in the average amount of financing per unit. Decreased volume was reported in the financing of all types of vehicles except new passenger cars. Used passenger car financing was down for the second consecutive month.

The drop of 11 per cent in the financing by these companies of other consumers' goods resulted largely from a reduction in volume of paper based upon residential building repair and modernization. All other types of paper increased with the largest percentage rise shown in paper based upon miscellaneous retail sales.

Retail Financing by Sales Finance Companies

Class of retail instalment paper	Percentage change, October 1947 to November 1947		
	Number of cars	Volume of paper acquired during month	Outstanding balances, end of month
Automotive: Total retail	- 8	+ 1	+ 5
Passenger cars: New	+ 1	+ 7	...
Used	-14	- 1	...
Commercial cars: New	-19	-17	...
Used	-22	-13	...
Other consumers' goods: Total		-11	+ 6
Furniture, radios, musical instruments		+ 1	...
Refrigerators and other household appliances		+ 4	...
Residential building repair and modernization		-20	...
Miscellaneous retail		+19	...

Wholesale financing.—The November volume of wholesale automotive financing was about 7 per cent less than in October as a consequence of a smaller volume of transactions in both new and used vehicles. Balances outstanding on automotive and other goods rose during the month.

Ratio of paper acquired to balances outstanding.—The ratio of paper acquired during November to balances outstanding at the month-end was 35 per cent or a drop of 4 points from that of October.

Note.—November data, based on returns from 141 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.

## SALES FINANCE COMPANIES

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

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
1945.....	22	18	27	38	39	23
1946.....	59	42	90	224	105	59
1946 - November.....	53	38	78	177	97	57
December.....	59	42	90	224	105	59
1947 - January.....	62	45	95	252	110	60
February.....	68	48	105	287	116	61
March.....	73	53	111	325	124	68
April.....	78	58	110	341	136	67
May.....	82	62	106	351	145	70
June.....	87	66	111	346	157	71
July.....	91	69	109	336	168	74
August.....	94	72	103	333	180	87
September.....	100	75	122	321	192	86
October.....	105	79	124	310	206	92
November.....	111	83	138	359	218	89

<sup>a/</sup> 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 November 1947 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 <sup>a/</sup> .....	\$472,369,204	100	\$1,347,946,163	100
Total loans.....	47,490,340	10	149,810,770	11
Small (personal) loans.....	12,841,845	3	61,146,659	4
Business loans.....	34,648,495	7	88,664,111	7
Total sales financing <sup>a/</sup> .....	424,878,864	90	1,198,135,393	89

<sup>a/</sup> 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 by Sales Finance Companies  
Paper Acquired During November 1947 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during November 1947		Outstanding balances November 30, 1947 <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.....	\$113,271,266	\$111,160,786	\$ 616,975,725	18
Total wholesale automotive.....	268,861,945	267,095,997	202,309,185	132
Total wholesale - other than automotive....	10,172,721	10,167,120	25,550,694	40
Total retail - other consumers' goods.....	38,209,724	38,055,980	330,783,006	12
Industrial, commercial, and farm equipment	8,488,190	8,377,029	66,523,682	13
<b>Total sales financing.....</b>	<b>439,003,846</b>	<b>434,856,912</b>	<b>1,242,142,292</b>	<b>35</b>

<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 4.--Number of Cars Financed and Volume of Paper Acquired  
by Sales Finance Companies During November 1947

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	92,740	100	\$ 91,924,309 <sup>a/</sup>	100
New passenger cars.....	34,096	37	43,135,319	47
New commercial cars.....	7,274	8	10,548,757	11
Used passenger cars.....	47,171	51	34,737,686	38
Used commercial cars.....	4,199	4	3,502,547	4
Total wholesale automotive.....	179,235	100	241,159,672	100
New cars (passenger and commercial)..	164,287	92	224,471,430	93
Used cars (passenger and commercial)..	14,948	8	16,688,242	7

<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 3 due to the exclusion of some data for which breakdowns were not available.

Table 5.--Volume of Diversified Sales Financing During November 1947

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 1,430,733	3
Refrigerators and other household appliances.....	4,841,486	9
Residential building repairs and modernization.....	25,119,458	44
Miscellaneous retail.....	6,460,052	11
Total retail - other consumers' goods.....	37,851,729 <sup>a/</sup>	67
Total wholesale - other than automotive.....	10,172,721	18
Industrial, commercial, and farm equipment.....	8,488,190	15
<b>Total diversified financing.....</b>	<b>56,512,640</b>	<b>100</b>

<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 3 due to the exclusion of some data for which breakdowns were not available.