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FEDERAL RESERVE SYSTEM

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SALES FINANCE COMPANIES

APRIL 1948

Retail financing.—Reporting sales finance companies indicated that the total volume of retail automobile paper acquired in April declined slightly while that for other goods increased in comparison with their March operations. Outstanding balances on automobile and other retail paper expanded further during the month.

A drop in financing of new passenger cars was only partially offset by increases for all other types of vehicles. As a result, the total volume of automobile paper acquired declined by 2 per cent from the March level.

Financing of consumers' goods other than automobiles was up materially from the volume of a month earlier. All types of paper in this classification increased except that based on sales of furniture and radios. The sharpest rise was evidenced in paper based on sales of refrigerators and other household appliances.

Retail Financing by Sales Finance Companies

Class of retail instalment paper	Percentage change, March 1948 to April 1948		
	Number of cars	Volume of paper acquired during month	Outstanding balances, end of month
Automotive: Total retail	- 3	- 2	+ 8
Passenger cars: New	-14	-12	...
Used	+ 2	+ 4	...
Commercial cars: New	+ 6	+ 9	...
Used	+ 5	+ 6	...
Other consumers' goods: Total		+11	+ 3
Furniture, radios, musical instruments		- 5	...
Refrigerators and other household appliances		+18	...
Residential building repair and modernization		+11	...
Miscellaneous retail		+ 8	...

Wholesale financing.—The volume of wholesale automobile financing was down in April, and the total amount of receivables in this category was also reduced. On other goods, both volume and balances outstanding were higher for April than for March.

Ratio of paper acquired to balances outstanding.—The turnover rate in retail and wholesale paper, as roughly measured by the ratio of paper purchased during the month to balances outstanding at the end of the month, decreased in April.

Note.—April data, based on returns from 139 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
1945.....	22	18	27	38	39	23
1946.....	59	42	90	224	105	59
1947.....	119	88	163	394	226	89
1947-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
December.....	119	88	163	394	226	89
1948-January.....	123	92	167	426	229	92
February.....	127	96	171	445	230	94
March.....	134	105	175	458	232	98
April.....	139	113	159	517	240	111

^{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 April 1948 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/}	\$570,532,480	100	\$1,615,655,149	100
Total loans.....	45,179,958	8	163,936,683	10
Small (personal) loans.....	12,544,619	2	70,594,560	4
Business loans.....	32,635,339	6	93,342,123	6
Total sales financing ^{a/}	525,352,522	92	1,451,718,466	90

^{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 by Sales Finance Companies
Paper Acquired During April 1948 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during April 1948		Outstanding balances April 30, 1948 <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.....	\$158,496,082	\$156,499,080	\$ 795,012,534	20
Total wholesale automotive.....	315,479,165	314,528,714	223,253,208	141
Total wholesale - other than automotive...	15,269,311	15,255,163	39,789,394	38
Total retail - other consumers' goods.....	37,300,387	37,225,111	360,682,901	10
Industrial, commercial, and farm equipment	17,007,114	16,975,550	83,986,850	20
Total sales financing.....	\$543,552,059	\$540,483,618	\$1,502,724,887	36

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 4.--Number of Cars Financed and Volume of Paper Acquired
by Sales Finance Companies During April 1948

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	149,111	100	\$153,295,809 <u>a/</u>	100
New passenger cars.....	41,680	28	54,999,481	36
New commercial cars.....	12,249	8	18,501,525	12
Used passenger cars.....	88,338	59	73,907,099	48
Used commercial cars.....	6,844	5	5,887,704	4
Total wholesale automotive.....	220,072	100	\$311,026,161 <u>a/</u>	100
New cars (passenger and commercial)..	185,573	84	271,125,107	87
Used cars (passenger and commercial)..	34,499	16	39,901,054	13

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

Table 5.--Volume of Diversified Sales Financing During April 1948

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 1,638,388	2
Refrigerators and other household appliances.....	7,562,202	11
Residential building repairs and modernization.....	15,460,896	23
Miscellaneous retail.....	11,967,799	17
Total retail - other consumers' goods.....	\$36,629,285 <u>a/</u>	53
Total wholesale - other than automotive.....	15,269,311	22
Industrial, commercial, and farm equipment.....	17,007,114	25
Total diversified financing.....	\$68,905,710	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 3 due to the exclusion of some data for which breakdowns were not available.