



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

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**SALES FINANCE COMPANIES**

MARCH 1949

Retail financing.—The volume of retail instalment paper purchased by reporting sales finance companies during March was substantially higher than in February. All categories showed strong gains. The rise in automobile volume was accompanied by a continued expansion of outstanding balances. On other consumer goods, however, the March upswing in new paper acquired did not prevent a decline in outstanding balances which has been reported for the ninth consecutive month.

Automobile paper acquired in March was 54 per cent above the February level, as indicated in the table below. Increases in passenger car paper were sharper than in truck paper.

A rise of 48 per cent was reported in the financing of consumer goods other than automobiles. The most marked gain was recorded in paper based on sales of refrigerators and other household appliances.

Retail Financing by Sales Finance Companies

Class of retail instalment paper	Percentage change, February 1949 to March 1949		
	Number of cars	Volume of paper acquired during month	Outstanding balances, end of month
Automotive: Total retail	<u>+52</u>	<u>+54</u>	<u>+ 5</u>
Passenger cars: New	+50	+51	...
Used	+58	+63	...
Commercial cars: New	+42	+35	...
Used	+46	+47	...
Other consumer goods: Total		<u>+48</u>	<u>- 3</u>
Furniture, radios, musical instruments		+42	...
Refrigerators and other household appliances		+101	...
Residential building repair and modernization		+12	...
Miscellaneous retail		+28	...

Wholesale financing.—The volume of wholesale automotive paper acquired in March was about one-fourth larger than in February, but outstanding balances declined. Wholesale financing of other goods was also in greater volume in March, and credit outstanding in this classification rose slightly.

Ratio of paper acquired to balances outstanding.—Sharp increases in volume of paper purchased raised the ratio of such purchases to balance outstanding from 26 per cent in February to 33 per cent in March.

NOTE.—March data, based on returns from 134 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 <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
1947.....	119	88	163	394	226	89
1948.....	174	151	252	454	232	116
1948-March.....	134	105	175	458	232	98
April.....	139	113	159	517	240	111
May.....	141	119	143	495	250	118
June.....	147	123	165	462	251	121
July.....	151	130	164	448	250	120
August.....	155	136	165	396	249	119
September.....	157	142	154	362	247	119
October.....	163	145	191	389	243	118
November.....	167	148	211	418	238	116
December.....	174	151	252	454	232	116
1949-January.....	177	152	273	484	221	118
February.....	180	155	289	561	214	117
March.....	182	162	281	571	207	111

<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 March 1949 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> .....	\$761,711,451	100	\$2,299,406,647	100
Total loans.....	44,018,475	6	166,921,819	7
Small (personal) loans.....	14,309,332	2	80,442,803	3
Business loans.....	29,709,143	4	86,479,016	4
Total sales financing <sup>a/</sup> .....	717,692,976	94	2,132,484,828	93

<sup>a/</sup> 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 March 1949 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during March 1949		Outstanding balances March 31, 1949 <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.....	\$243,543,177	\$241,092,670	\$1,294,723,574	19
Total wholesale automotive.....	441,293,690	439,537,363	442,660,648	99
Total wholesale - other than automotive...	19,482,414	19,482,414	43,798,339	44
Total retail - other consumers' goods.....	20,488,309	20,373,109	321,417,192	6
Industrial, commercial, and farm equipment	7,481,041	7,466,442	83,540,723	9
Total sales financing.....	\$732,288,631	\$727,951,998	\$2,186,140,476	33

<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 March 1949

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	205,086	100	\$212,404,587 <sup>a/</sup>	100
New passenger cars.....	66,548	32	95,196,829	45
New commercial cars.....	14,126	7	20,103,186	10
Used passenger cars.....	114,974	56	89,788,602	42
Used commercial cars.....	9,438	5	7,315,970	3
Total wholesale automotive.....	263,113	100	\$410,150,796 <sup>a/</sup>	100
New cars (passenger and commercial)..	233,565	89	380,988,351	93
Used cars (passenger and commercial)..	29,548	11	29,162,445	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 March 1949

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 1,630,870	4
Refrigerators and other household appliances.....	7,970,987	17
Residential building repairs and modernization.....	3,018,993	6
Miscellaneous retail.....	7,400,079	16
Total retail - other consumers' goods.....	\$20,020,929 <sup>a/</sup>	43
Total wholesale - other than automotive.....	19,482,414	41
Industrial, commercial, and farm equipment.....	7,481,041	16
Total diversified financing.....	\$46,984,384	100

<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.