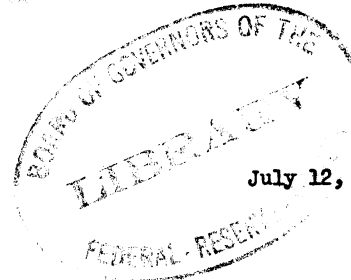


BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

G.20



July 12, 1949

SALES FINANCE COMPANIES

MAY 1949

Retail financing.-- Automobile and other retail instalment paper acquired in May was in substantially higher volume than in April, according to reporting sales finance companies. Outstanding balances held by these companies showed a further marked increase in the automobile segment and a slight decline in that for other consumer goods.

A rise of 10 per cent in automobile paper acquired, as indicated in the table below, reflected gains in the volume of financing of all types of vehicles, particularly passenger cars. New passenger car financing showed the sharpest percentage increase.

Financing of other consumer goods was up 28 per cent over the April volume, with all classes of paper sharing in the month-to-month gain. Paper based on sales of refrigerators and other household appliances evidenced considerable increase in volume for the third consecutive month.

Retail Financing by Sales Finance Companies

Class of retail instalment paper	Percentage change, April 1949 to May 1949		
	Number of cars	Volume of paper acquired during month	Outstanding balances, end of month
Automotive: Total retail	+ 9	+10	+ 7
Passenger cars: New	+13	+15	...
Used	+10	+ 9	...
Commercial cars: New	+ 5	+ 1	...
Used	+ 8	+ 5	...
Other consumer goods: Total		+28	- 1
Furniture, radios, musical instruments		+ 5	...
Refrigerators and other household appliances		+50	...
Residential building repair and modernization		+ 9	...
Miscellaneous retail		+ 9	...

Wholesale financing.--Reporting companies financed a slightly larger volume of motor vehicles at wholesale in May than in April, but outstanding balances in this category continued to decline. Wholesale financing of other goods was somewhat less than that of a month earlier, and outstanding balances also declined.

Ratio of paper acquired to balances outstanding.--The ratio of paper purchased during the month to outstanding balances at the end of the month rose one percentage point to 32 in May.

NOTE.--May data, based on returns from 128 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
1947.....	119	88	163	394	226	89
1948.....	174	151	252	454	232	116
1948-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.....	184	164	281	571	207	111
April.....	188	175	260	551	203	112
May.....	191	188	219	515	202	112

<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 May 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> .....	\$749,711,369	100	\$2,364,173,883	100
Total loans.....	36,263,593	5	155,646,768	6
Small (personal) loans.....	10,893,684	2	77,241,187	3
Business loans.....	25,369,909	3	78,405,581	3
Total sales financing <sup>a/</sup> .....	713,447,776	95	2,208,527,115	94

<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 May 1949 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during May 1949		Outstanding balances May 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.....	\$266,717,817	\$264,941,790	\$1,492,441,727	18
Total wholesale automotive.....	407,267,123	406,226,680	341,588,766	119
Total wholesale - other than automotive...	16,175,543	16,149,737	39,044,002	41
Total retail - other consumers' goods.....	28,881,410	28,717,091	310,277,517	9
Industrial, commercial, and farm equipment	6,795,635	6,769,159	79,870,366	8
Total sales financing.....	\$725,837,528	\$722,804,457	\$2,263,222,378	32

<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 May 1949

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	232,405	100	\$235,589,093 <sup>a/</sup>	100
New passenger cars.....	74,397	32	108,960,411	46
New commercial cars.....	11,664	6	19,730,853	9
Used passenger cars.....	133,264	58	99,524,716	42
Used commercial cars.....	10,080	4	7,373,113	3
Total wholesale automotive.....	251,275	100	\$385,991,432 <sup>a/</sup>	100
New cars (passenger and commercial)..	231,421	92	367,319,179	95
Used cars (passenger and commercial)..	20,554	8	18,672,253	5

<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 May 1949

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 1,511,576	3
Refrigerators and other household appliances.....	15,995,995	31
Residential building repairs and modernization.....	3,070,955	6
Miscellaneous retail.....	7,827,208	15
Total retail - other consumers' goods.....	\$28,405,734 <sup>a/</sup>	55
Total wholesale - other than automotive.....	16,175,543	32
Industrial, commercial, and farm equipment.....	6,795,635	13
Total diversified financing.....	\$51,376,912	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.