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OF THE  
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SALES FINANCE COMPANIES

JULY 1949

Retail financing.--July purchases of automobile and other retail instalment paper were less than in June for the reporting sales finance companies. Automobile paper purchased during the month, however, continued to exceed repayments, and outstanding balances showed a further rise. Balances based on sales of other goods remained at the June level.

The decline in dollar volume of automobile paper acquired, as shown in the table below, reflected largely decreases in financing of used passenger cars. Financing of new and used commercial vehicles, which is in relatively small volume, was also less than for June. In contrast, financing of new passenger cars showed a marked increase.

Sharp drops in financing of goods other than automobiles were indicated in nearly all classes of paper. The decline in paper based on sales of refrigerators and other household appliances, however, was considerably less than that shown for the other types of nonautomobile financing.

Retail Financing by Sales Finance Companies

Class of retail instalment paper	Percentage change, June 1949 to July 1949		
	Number of cars	Volume of paper acquired during month	Outstanding balances, end of month
Automotive: Total retail	- 4	- 3	+ 5
Passenger cars: New	+ 6	+ 6	...
Used	- 9	-11	...
Commercial cars: New	- 5	- 8	...
Used	-10	-12	...
Other consumer goods: Total		- 7	0
Furniture, radios, musical instruments		-20	...
Refrigerators and other household appliances		- 2	...
Residential building repair and modernization		-14	...
Miscellaneous retail		-12	...

Wholesale financing.--Motor vehicles financed at wholesale in July were in greater volume than in June, and outstanding balances based on such transactions rose slightly. Wholesale financing of other goods declined and outstanding balances in this category also decreased.

Ratio of paper acquired to balances outstanding.--The turnover rate of receivables as measured by the ratio of paper purchased during the month to outstanding balances at the end of the month declined one percentage point to 30 for July.

NOTE.--July data, based on returns from 119 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-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
June.....	198	197	225	479	203	111
July.....	203	206	227	430	203	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 July 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> .....	\$749,692,866	100	\$2,506,164,087	100
Total loans.....	34,879,038	5	150,147,781	6
Small (personal) loans.....	9,438,670	1	71,899,388	3
Business loans.....	25,440,368	4	78,248,393	3
Total sales financing <sup>a/</sup> .....	714,813,828	95	2,356,016,306	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 July 1949 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during July 1949		Outstanding balances July 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.....	\$251,403,657	\$250,801,355	\$1,630,596,668	15
Total wholesale automotive.....	428,713,427	428,441,869	353,622,485	121
Total wholesale - other than automotive...	13,576,782	13,574,867	32,500,252	42
Total retail - other consumers' goods.....	29,049,035	28,779,956	312,089,031	9
Industrial, commercial, and farm equipment	5,088,726	5,087,629	83,332,955	6
Total sales financing.....	\$727,831,627	\$726,685,676	\$2,412,141,391	30

<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 July 1949

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	218,018	100	\$222,478,540 <sup>a/</sup>	100
New passenger cars.....	77,653	36	113,992,705	51
New commercial cars.....	14,035	6	18,199,963	8
Used passenger cars.....	116,789	54	83,867,641	38
Used commercial cars.....	9,541	4	6,418,231	3
Total wholesale automotive.....	260,722	100	\$402,898,578 <sup>a/</sup>	100
New cars (passenger and commercial)...	246,755	95	390,009,374	97
Used cars (passenger and commercial)...	13,967	5	12,889,204	3

<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 July 1949

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 1,241,699	2
Refrigerators and other household appliances.....	16,956,797	36
Residential building repairs and modernization.....	2,973,769	6
Miscellaneous retail.....	7,431,665	16
Total retail - other consumers' goods.....	\$28,603,930 <sup>a/</sup>	60
Total wholesale - other than automotive.....	13,576,782	29
Industrial, commercial, and farm equipment.....	5,088,726	11
Total diversified financing.....	\$47,269,438	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.