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SALES FINANCE COMPANIES

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Retail financing--Purchases of retail automotive paper by sales finance companies increased slightly during January. This gain, the first since October, resulted largely from purchases of used passenger car paper. Purchases of new passenger car paper continued to decline for the fifth consecutive month; however, the decrease in January was only 1 per cent. Purchases of paper on both new and used commercial vehicles increased, with the largest gain being shown in used vehicle paper.

Despite the increase in acquisitions of retail automotive paper during January, the amount outstanding at the end of the month declined slightly for the fourth consecutive month.

Purchases of paper on other consumer goods declined by 11 per cent during January. The principal factor in this decrease was a 35 per cent drop in purchases of paper on refrigerators and other household appliances. Paper for residential repair and modernization also declined but purchases of paper on other types of consumer goods increased.

Outstanding balances of paper on other consumer goods were 2 per cent below the level at the end of December.

Retail Financing by Sales Finance Companies

Class of retail paper	Percentage change, December 1951 to January 1952		
	Number of cars	Volume of paper acquired during month	Outstanding balances end of month
Automotive: Total retail	+ 5	+ 3	- 2
Passenger cars: New	+ 1	- 1	
Used	+ 7	+ 7	
Commercial cars: New	0	+ 1	
Used	+11	+12	
Other consumer goods: Total		-11	- 2
Furniture, radios, television sets, musical instruments		+11	
Refrigerators and other household appliances		-35	
Residential building repair and modernization		-13	
Miscellaneous retail		+ 4	

Wholesale financing--Both purchases of wholesale automotive paper during January and outstanding balances at the end of the month declined from December.

Purchases of wholesale paper other than automotive increased from December; outstanding balances at the end of January, however, were below the level of December 31.

NOTE.--January data, based on returns from 106 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: 1947-1949 average = 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.....	68	76	55	24	49	100
1940.....	92	101	92	34	64	131
1941.....	103	114	96	61	73	147
1942.....	36	28	61	10	38	61
1943.....	14	10	22	2	15	27
1944.....	12	11	13	3	13	26
1945.....	15	14	15	9	19	23
1946.....	40	32	49	55	52	59
1947.....	81	67	89	96	112	89
1948.....	118	115	138	111	115	116
1949.....	155	190	118	81	92	107
1950.....	198	248	162	126	87	130
1951.....	202	248	197	120	75	151
1951-January.....	195	244	159	159	84	132
February.....	194	241	167	186	82	134
March.....	197	238	195	222	79	125
April.....	200	238	209	231	77	136
May.....	202	241	219	220	76	138
June.....	205	245	221	202	74	140
July.....	202	248	203	181	72	143
August.....	203	253	185	156	73	146
September.....	203	256	178	147	74	149
October.....	203	254	186	139	74	149
November.....	203	251	196	130	74	150
December.....	202	248	197	120	75	151
1952-January.....	196	243	182	116	73	156

^{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. Indexes have been converted to a 1947-1949 base from the December 31, 1939 base previously used. Back figures by months are available upon request.

Table 2.--Relative Importance of Loans Made by Sales Finance Companies
During January 1952 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/}	\$763,140,611	100	\$3,529,806,706	100
Total loans.....	79,738,767	10	246,245,779	7
Small (personal) loans.....	26,568,646	3	135,510,229	4
Business loans.....	53,170,121	7	110,735,550	3
Total sales financing ^{a/}	683,401,844	90	3,283,560,927	93

^{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 January 1952 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during January 1952		Outstanding balances January 31, 1952 a/	Ratio paper acquired to outstanding balances b/
	By all companies reporting	By companies reporting outstanding balances a/		
Total retail automotive.....	\$297,688,445	\$295,707,931	\$2,452,770,091	12
Total wholesale automotive.....	347,054,588	345,662,834	510,069,793	68
Total wholesale - other than automotive...	9,698,804	9,104,758	35,576,318	26
Total retail - other consumers' goods.....	26,153,521	23,790,941	221,426,143	11
Industrial, commercial, and farm equipment	13,686,156	13,510,692	115,742,049	12
Total sales financing.....	\$694,281,514	\$687,777,156	\$3,335,584,394	21

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 January 1952

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	240,477	100	\$255,512,456 a/	100
New passenger cars.....	76,959	32	112,971,865	44
New commercial cars.....	10,480	4	16,306,738	6
Used passenger cars.....	139,811	58	116,097,562	46
Used commercial cars.....	13,227	6	10,136,291	4
Total wholesale automotive.....	207,655	100	\$342,560,923 a/	100
New cars (passenger and commercial)..	162,981	78	297,877,640	87
Used cars (passenger and commercial)..	44,674	22	44,683,283	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 January 1952

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 7,934,852	16
Refrigerators and other household appliances.....	6,651,017	14
Residential building repairs and modernization.....	2,940,499	6
Miscellaneous retail.....	7,255,720	15
Total retail - other consumers' goods.....	\$24,782,088 a/	51
Total wholesale - other than automotive.....	9,698,804	20
Industrial, commercial, and farm equipment.....	13,686,156	29
Total diversified financing.....	\$48,167,048	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.