



2000-2001 Budget

G.20

June 12, 1952

SALES FINANCE COMPANIES
APRIL 1952

Retail financing--Sales finance company purchases of retail automotive paper in April increased 15 per cent over the preceding month, reflecting gains in all items. Purchases of new passenger car paper increased for the first time since last August, while used-car financing increased for the fourth successive month. Purchases of commercial-car paper also increased substantially. At the end of April, outstanding balances of retail automotive paper were 2 per cent above those of the preceding month-end and slightly above the level of a year ago.

Purchases of other retail instalment paper by sales finance companies expanded 10 per cent in April. The volume of household appliance paper and repair paper acquired increased 12 per cent and 24 per cent, respectively. In contrast, purchases of furniture and television paper declined 13 per cent. Despite the overall monthly expansion in acquisitions, outstanding balances of other retail instalment paper at the end of April were 3 per cent below those of the preceding month-end.

Retail Financing by Sales Finance Companies

Class of retail paper	Percentage change, March 1952 to April 1952		
	Number of cars	Volume of paper acquired during month	Outstanding balances end of month
Automotive: Total retail	<u>+15</u>	<u>+15</u>	<u>+ 2</u>
Passenger cars: New	+16	+16	
Used	+15	+16	
Commercial cars: New	+17	+14	
Used	+16	+17	
Other consumer goods: Total		<u>+10</u>	<u>- 3</u>
Furniture, radios, television sets, musical instruments		-13	
Refrigerators and other household appliances		+12	
Residential building repair and modernization		+24	
Miscellaneous retail		+12	

Wholesale financing--Wholesale automotive paper acquired during April increased about 13 per cent over the preceding month. Outstanding balances at the month-end were up about 4 per cent, bringing these balances to about the year-age level.

Acquisitions of wholesale paper on other consumer goods, however, declined substantially during the month. Outstanding balances at the end of the month were virtually unchanged from the March level, but were down sharply from April 1951.

NOTE--April data, based on returns from 108 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: 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	23
1945.....	15	14	15	9	19	23
1946.....	40	32	49	55	52	59
1947.....	81	67	89	97	112	89
1948.....	118	115	138	111	114	116
1949.....	155	190	118	81	92	107
1950.....	198	248	162	126	87	130
1951.....	202	248	197	120	75	151
1951-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	181	116	73	156
February.....	196	240	189	136	72	160
March.....	196	238	199	151	71	163
April.....	200	241	208	152	69	168

^{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 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/}	\$1,020,710,148	100	\$3,696,238,016	100
Total loans.....	87,579,779	9	275,114,244	7
Small (personal) loans.....	29,611,806	3	154,545,720	4
Business loans.....	57,967,973	6	120,568,524	3
Total sales financing ^{a/}	933,130,369	91	3,421,123,772	93

^{a/} 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 April 1952 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during April 1952		Outstanding balances April 30, 1952 ^{a/}	Ratio paper acquired to outstanding balances ^{b/}
	By all companies reporting	By companies reporting outstanding balances ^{a/}		
Total retail automotive.....	\$357,695,053	\$354,634,778	\$2,498,741,564	14
Total wholesale automotive.....	535,035,283	531,897,778	597,325,502	89
Total wholesale - other than automotive...	13,671,090	13,239,197	46,164,322	29
Total retail - other consumers' goods.....	28,548,668	26,495,252	208,934,600	13
Industrial, commercial, and farm equipment	13,985,483	13,372,127	125,607,857	11
Total sales financing.....	\$948,935,577	\$939,639,132	\$3,476,773,845	27

^{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 1952

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	283,719	100	\$305,738,243 ^{a/}	100
New passenger cars.....	74,912	26	117,029,750	38
New commercial cars.....	12,269	4	19,657,028	7
Used passenger cars.....	180,480	64	156,357,815	51
Used commercial cars.....	16,058	6	12,693,650	4
Total wholesale automotive.....	300,973	100	\$527,991,739 ^{a/}	100
New cars (passenger and commercial)..	240,702	80	467,545,318	89
Used cars (passenger and commercial)..	60,271	20	60,446,421	11

^{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 1952

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 5,651,370	10
Refrigerators and other household appliances.....	9,022,565	16
Residential building repairs and modernization.....	3,746,051	7
Miscellaneous retail.....	8,613,378	16
Total retail - other consumers' goods.....	\$27,033,364 ^{a/}	49
Total wholesale - other than automotive.....	13,671,090	25
Industrial, commercial, and farm equipment.....	13,985,483	26
Total diversified financing.....	\$54,689,937	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.