

## SALES FINANCE COMPANIES

OCTOBER 1952

Retail financing- Retail automotive paper acquired by sales finance companies in October increased 22 per cent over the volume of the preceding month, reflecting gains in the financing of all types of motor vehicles. Purchases of new passenger car paper increased 35 per cent, following an even sharper increase in the preceding month, and used passenger car financing expanded 11 per cent after three months of declining volume. Gains of 24 per cent and 7 per cent, respectively, were reported in the financing of new and used commercial vehicles. Outstanding balances of retail automotive paper also continued upward during October. Balances at the month-end were 4 per cent above the level of September 30 and 15 per cont above a year ago.

Purchases of other retail instalment paper increased 8 per cent over the volume of the preceding month. Furniture and television paper acquired gained 40 per cent, while purchases of repair and modernization paper increased 16 per cent. Purchases of household appliance paper, however, dropped 15 per cent. The overall gain in paper acquired was accompanied by an increase of 4 per cent in outstanding balances of other retail instalment paper.

Retail Financing by Sales Finance Companies


Wholesale financing--Wholesale automotive paper acquired by reporting sales finance companies during October was about 20 per cent above the September volume. Outstar.ding balances also increased during the month, and on October 31 were about 15 per cent above the level of the preceding month-end.

Purchases of other wholesale paper during October increased 3 per cent from the preceding month's volume, but outstanding balances dropped 1 per cent from September $3 n$ to October 31.

[^0]Table l.--Automotive and Diversified Financing by Sales Finance Companies Indexes of Outstanding Balances: 1947-1949 average $=100 \mathrm{a}$

| End of month and year | $\begin{gathered} \text { Total } \\ \text { all } \\ \text { sales } \\ \text { financing } \end{gathered}$ | Retail automotive | Wholesale automotive | Wholesale <br> other <br> than <br> automotive | Retail other consumers' goods | Industrial, commercial. and farm equipment |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1939................... | 68 | 76 | 55 | 24 | 49 | 100 |
| 1940.................... | 92 | 201 | 92 | 34 | 64 | 131 |
| 1941.................... | 103 | 114 | 96 | 61 | 73 | 147 |
| 1242.................... | 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 |
| 1951-0ctober.......... | 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.o........... | 196 | 238 | 109 | 151 | 71 | 163 |
| April............. | 200 | 240 | 208 | 152 | 71 | 168 |
| May................ | 206 | 253 | 197 | 14.4 | 74 | 170 |
| June..........0.0 | 213 | 269 | 181 | 130 | 78 | 175 |
| July.....0....0.... | 212 | 277 | 136 | 125 | 84 | 183 |
| August.......0.0.0 | 210 | 278 | 113 | 119 | 86 | 185 |
| September.....0.0. | 217 | 281 | 142 | 113 | 89 | 190 |
| October.....0.... | 228 | 292 | 164 | 111. | 93 | 199 |

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 talances reported by sales finance companies for each month from those reported by the same compenios for tio 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 Octcier 1952 and Outstanding Balances at End of Month

| Class of paper | Peper acquired during month |  | Outstanding balances, end of morth |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Amount | Porcentage of total | Amount | Percentage of total |
| Totel, all classes of paper a/........ | \$1,184, 834,588 | 100 | \$4,195,953,638 | 100 |
| Total loans | 103,448,076 | 9 | 291,342,390 | 7 |
| Small (personal) loans............ | 31,434,994 | 3 | 169,369,586 | 4 |
| Business loans...................... | 72,013,082 | 6 | 121,072,804 | 3 |
| Total sales financing a/........... | 1,081,386,512 | 91 | 3,904,611,248 | 93 |

[^1]Table 3.--Automotive and Diversified Financing by Sales Finance Companies Paper Acquired During October 1952 and Balances Outstanding at End of Month

| Class of paper | Volume of paper acquired during October 1952 |  | $\begin{aligned} & \text { Outstanding } \\ & \text { balances } \\ & \text { October 31, } \\ & 1952 \mathrm{a} \end{aligned}$ | Ratio paper ocquired to outstanding balences b/ |
| :---: | :---: | :---: | :---: | :---: |
|  | By all companies reporting | By companies <br> reporting outstanding balances a/ |  |  |
| Total retail automotive. | \$ 453,778,792 | \$ 450,814,304 | \$3,024,992,315 | 15 |
| Total wholesale automotive................. | 572,843,269 | 571,407,839 | 471,597,548 | 121 |
| Total wholesale - other than automotive... | 12,297,024 | 11,868,639 | 33,955,062 | 35 |
| Total retail - other consumers' goods..... | 39,696,983 | 37,003,268 | 280,718,481 | 13 |
| Industrial, commercial, and farm equipment | 16,973,964 | 16,715,087 | 148,705,802 | 11 |
| Total sales financing............ | \$1,095,590,032 | \$1,087,809,137 | \$3,959,969,208 | 27 |

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 October 1952

| Class of paper | Number of cars |  | Paper acquired |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Number | Percentage of total | Dollar volume | Percentage of totel |
| Total retail automotive | 298,644 | 100 | \$385,445,438 a/ | 100 |
| New passenger cars. | 107,749 | 36 | 193,841,607 | 50 |
| New commercial cars. | 14,438 | 5 | 22,304,809 | 6 |
| Used passenger cars..................... | 160,246 | 54 | 156,847,118 | 41 |
| Used commercial cars................... | 16,211 | 5 | 12,451,904 | 3 |
| Total wholesale automotive.. | 316,382 | 100 | \$565,879,548 a/ | 100 |
| New cars (pascenger and commercial).. lised cars (passenger and commercial). | $\begin{array}{r} 266,961 \\ 49,421 \end{array}$ | $\begin{aligned} & 84 \\ & 16 \end{aligned}$ | $\begin{array}{r} 513,671,128 \\ 52,208,420 \end{array}$ | 91 |

a/ Data are based on reports from sales finance companies providing a breskdown 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 breakdows were not available.

Table 5.--Volume of Diversified Sales Financing During October 1952

| Class of paper | Dollar volume of paper acquired | Percentage of total |
| :---: | :---: | :---: |
| Retail - other consumers' goods: |  |  |
| Furniture, radios, pianos, and other musioal instruments.. | \$10,000,910 | 15 |
| Refrigerators and other household appliances................ | 10,271,001 | 15 |
| Residential building repairs and modernization............. | 6,518,440 | 10 |
| Miscellane ous retail............................................... | 10,600,128 | 16 |
| Total retail - other consumers' goods................................ | \$37,390,479 a/ | 56 |
| Total wholesale - other than automotive.......................... | 12,297,024 | 18 |
| Industrial, commercial, and farm equipment....................... | 16,973,964 | 26 |
| Total diversified financing...................... | \$66,661,467 | 100 |

a Data are based on reports from eales 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.


[^0]:    NOTE: --October data, based on returns from 101 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.

[^1]:    a/ Included in this classification are only those firms which, in addition to their sales financing operations, reported loan activities.

