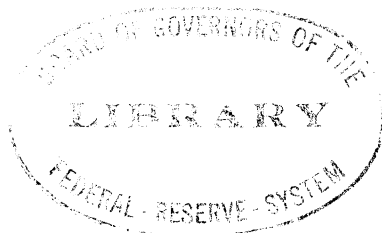


Miss Burgess



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

G.20

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SALES FINANCE COMPANIES

NOVEMBER 1952

Retail financing--Financing of retail purchases of motor vehicles by sales finance companies in November declined 12 per cent from the preceding month, reflecting reduced financing of all types of vehicles. In the financing of passenger vehicles, new car paper acquired dropped 10 per cent, following two months of sharply increasing volume, and acquisitions of used car paper decreased 13 per cent. Purchases of new and used commercial car paper declined 15 per cent and 17 per cent, respectively. Despite the decline in paper acquired, outstanding balances of retail automotive paper continued to increase. Balances at the end of November were 3 per cent above October 31 and 20 per cent above November a year ago.

Other retail instalment paper acquired during November declined 19 per cent from the preceding month, also reflecting declines in each component. Purchases of furniture and television paper decreased 11 per cent, while both the household appliance and repair and modernization components decreased 23 per cent. Outstanding balances of other retail instalment paper, however, increased 2 per cent during November, continuing an upward movement which began in May 1952.

Retail Financing by Sales Finance Companies

Class of retail paper	Percentage change, October 1952 to November 1952		
	Number of cars	Volume of paper acquired during month	Outstanding balances end of month
Automotive: Total retail	-13	-12	+ 3
Passenger cars: New	-10	-10	
Used	-14	-13	
Commercial cars: New	-15	-15	
Used	-19	-17	
Other consumer goods: Total		-19	+ 2
Furniture, radios, television sets, musical instruments		-11	
Refrigerators and other household appliances		-23	
Residential building repair and modernization		-23	
Miscellaneous retail		-21	

Wholesale financing--Purchases of wholesale automotive paper by reporting sales finance companies during November decreased 10 per cent from October's volume, but outstanding balances continued to increase. At the end of the month, balances outstanding were 8 per cent above October 31.

Other wholesale paper acquired decreased 16 per cent during November. The decline in volume was accompanied by a decrease of 1 per cent in outstanding balances from October 31 to the end of November.

NOTE:--November data, based on returns from 104 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-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	240	208	152	71	168
May.....	206	253	197	144	74	170
June.....	213	269	181	130	78	175
July.....	212	277	136	125	84	183
August.....	210	278	113	119	86	185
September.....	217	281	142	113	89	190
October.....	228	292	164	111	93	199
November.....	236	301	178	110	95	206

^{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 November 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/}	\$1,046,563,034	100	\$4,307,906,346	100
Total loans.....	91,436,119	9	297,162,245	7
Small (personal) loans.....	30,666,542	3	167,718,389	4
Business loans.....	60,769,577	6	129,443,856	3
Total sales financing ^{a/}	955,126,915	91	4,010,744,101	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 November 1952 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during November 1952		Outstanding balances November 30, 1952 a/	Ratio paper acquired to outstanding balances b/
	By all companies reporting	By companies reporting outstanding balances a/		
Total retail automotive.....	\$397,138,014	\$394,738,377	\$3,094,224,291	13
Total wholesale automotive.....	512,661,370	511,299,590	508,217,552	101
Total wholesale - other than automotive...	10,324,143	9,908,669	33,506,825	30
Total retail - other consumers' goods.....	32,038,227	29,931,194	283,112,995	11
Industrial, commercial, and farm equipment	16,627,447	16,476,096	153,907,541	11
Total sales financing.....	\$968,789,201	\$962,353,926	\$4,072,969,204	24

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 November 1952

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	257,592	100	\$335,584,398 a/	100
New passenger cars.....	96,553	37	173,006,107	51
New commercial cars.....	12,232	5	18,921,715	6
Used passenger cars.....	135,712	53	133,409,797	40
Used commercial cars.....	13,095	5	10,246,779	3
Total wholesale automotive.....	286,033	100	\$505,229,891 a/	100
New cars (passenger and commercial)..	241,787	85	460,349,864	91
Used cars (passenger and commercial)..	44,246	15	44,880,027	9

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 November 1952

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 8,702,623	15
Refrigerators and other household appliances.....	7,874,323	14
Residential building repairs and modernization.....	5,028,062	9
Miscellaneous retail.....	8,411,678	15
Total retail - other consumers' goods.....	\$30,016,686 a/	53
Total wholesale - other than automotive.....	10,324,143	18
Industrial, commercial, and farm equipment.....	16,627,447	29
Total diversified financing.....	\$56,968,276	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.