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SALES FINANCE COMPANIES

JANUARY 1953

Retail financing--Purchases of retail automotive paper by sales finance companies in January decreased 14 per cent from the volume of the preceding month, reflecting declines in each type of paper. Financing of new and used passenger cars declined 15 per cent and 9 per cent, respectively, while purchases of new commercial car paper and used commercial car paper declined 9 per cent and 4 per cent, respectively. Despite the decrease in paper acquired, outstanding balances of retail automotive paper continued to increase. Balances at the end of January were 2 per cent above the level of December and approximately 30 per cent above January of last year.

Other retail instalment paper acquired by sales finance companies during January decreased 25 per cent from the preceding month's volume, also reflecting declines in each component. Furniture and television paper decreased 29 per cent, household appliance paper 22 per cent, and repair and modernization paper 25 per cent. Outstanding balances of other retail instalment paper, however, continued to increase. Balances outstanding on January 31 were 1 per cent above the preceding month-end and approximately 36 per cent above the corresponding date of last year.

Retail Financing by Sales Finance Companies

Class of retail paper	Percentage change, December 1952 to January 1953		
	Number of cars	Volume of paper acquired during month	Outstanding balances end of month
Automotive: Total retail	-15	-14	+ 2
Passenger cars: New	-16	-15	
Used	- 9	- 9	
Commercial cars: New	-10	- 9	
Used	- 6	- 4	
Other consumer goods: Total		-25	+ 1
Furniture, radios, television sets, musical instruments		-29	
Refrigerators and other household appliances		-22	
Residential building repair and modernization		-25	
Miscellaneous retail		-24	

Wholesale financing--Wholesale automotive paper acquired by sales finance companies in January increased 13 per cent over December's volume. The increase was accompanied by an expansion of 7 per cent in outstanding balances from the end of December to January 31.

Purchases of other wholesale paper during January decreased 6 per cent from the volume of the preceding month. Outstanding balances of this type of paper declined about 1 per cent from December 31 to January 31.

NOTE:--January data, based on returns from 100 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	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
1952.....	245	310	192	111	99	206
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
December.....	245	310	192	111	99	206
1953-January.....	251	315	206	110	99	209

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 January 1953 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/.....	\$1,136,873,917	100	\$4,703,165,872	100
Total loans.....	90,865,011	8	352,889,195	8
Small (personal) loans.....	28,599,098	3	223,628,547	5
Business loans.....	62,265,913	5	129,260,648	3
Total sales financing a/.....	1,046,008,906	92	4,350,276,677	92

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 1953 and Balances Outstanding at End of Month

Class of paper	Volume of paper acquired during January 1953		Outstanding balances January 31, 1953 a/	Ratio paper acquired to outstanding balances b/
	By all companies reporting	By companies reporting outstanding balances a/		
Total retail automotive.....	\$ 382,013,826	\$ 381,552,042	\$3,287,615,963	12
Total wholesale automotive.....	612,416,534	612,355,082	592,732,358	103
Total wholesale - other than automotive...	11,627,123	11,591,044	34,851,425	33
Total retail - other consumers' goods.....	31,024,260	30,832,640	320,384,996	10
Industrial, commercial, and farm equipment	18,630,893	18,558,279	158,299,462	12
Total sales financing.....	\$1,055,712,636	\$1,054,889,087	\$4,393,884,204	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 January 1953

Class of paper	Number of cars		Paper acquired	
	Number	Percentage of total	Dollar volume	Percentage of total
Total retail automotive.....	256,703	100	\$333,467,939 a/	100
New passenger cars.....	89,109	35	162,770,993	49
New commercial cars.....	12,952	5	19,456,629	6
Used passenger cars.....	141,038	55	140,435,493	42
Used commercial cars.....	13,604	5	10,804,824	3
Total wholesale automotive.....	326,175	100	\$604,020,815 a/	100
New cars (passenger and commercial)...	275,202	84	551,899,437	91
Used cars (passenger and commercial)...	50,973	16	52,121,378	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 January 1953

Class of paper	Dollar volume of paper acquired	Percentage of total
Retail - other consumers' goods:		
Furniture, radios, pianos, and other musical instruments..	\$ 9,744,888	17
Refrigerators and other household appliances.....	7,501,174	13
Residential building repairs and modernization.....	3,833,117	6
Miscellaneous retail.....	7,597,082	13
Total retail - other consumers' goods.....	\$28,676,261 a/	49
Total wholesale - other than automotive.....	11,627,123	20
Industrial, commercial, and farm equipment.....	18,630,893	31
Total diversified financing.....	\$58,934,277	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.