

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: Trends and Cycles in the Commercial Paper Market

Volume Author/Editor: Richard T. Selden

Volume Publisher: UMI

Volume ISBN: 0-87014-399-9

Volume URL: <http://www.nber.org/books/seld63-1>

Publication Date: 1963

Chapter Title: Appendix D Selected Debt Statistics of Sales Finance Companies

Chapter Author: Richard T. Selden

Chapter URL: <http://www.nber.org/chapters/c1929>

Chapter pages in book: (p. 104 - 110)

## Appendix D

### Selected Debt Statistics of Sales Finance Companies

**TABLE D-1**

COMMERCIAL PAPER IN RELATION TO SELECTED BALANCE SHEET ITEMS  
AND TO OPEN CREDIT LINES, FORTY-TWO SALES FINANCE COMPANIES,  
BY SIZE CLASSES, 1946-60

Year	Commercial Paper (million dollars)	Commercial Paper as Percentage of				
		Total Funds	Total Debt	Senior Debt	Short- Term Debt <sup>a</sup>	Open Credit Lines
<i>42 firms</i>						
1946	125.2	12.1	18.3	18.8	21.9	20.2
1947	232.1	13.7	17.6	18.4	20.8	37.8
1948	421.0	18.1	22.6	23.4	31.4	61.1
1949	614.6	21.3	25.9	28.6	37.4	69.3
1950	645.4	17.5	21.0	23.0	30.4	106.1
1951	969.2	24.3	29.0	31.5	42.8	115.5
1952	1,317.7	27.7	32.5	35.4	45.4	216.5
1953	1,490.7	25.8	29.7	33.3	54.2	112.3
1954	1,302.0	22.8	26.5	30.6	51.2	85.1
1955	1,594.4	19.0	21.4	23.9	39.5	228.3
1956	1,766.1	20.0	22.7	25.7	47.6	120.0
1957	2,145.7	22.1	25.1	28.3	50.6	138.9
1958	1,820.7	20.9	24.4	28.2	57.8	72.3
1959	2,360.5	23.4	26.9	30.9	58.2	97.3
1960	2,888.4	24.9	28.5	32.7	60.0	119.8

(continued)

Appendix D

TABLE D-1 (continued)

Year	Commercial Paper (million dollars)	Commercial Paper as Percentage of				
		Total Funds	Total Debt	Senior Debt	Short-Term Debt <sup>a</sup>	Open Credit Lines
<i>6 very large firms</i>						
1946	120.3	13.5	20.5	20.8	24.9	19.9
1947	223.2	14.8	19.0	19.7	22.6	38.2
1948	412.1	20.0	24.7	25.5	35.4	64.1
1949	598.8	23.0	27.9	30.8	41.2	73.1
1950	628.1	18.9	22.6	24.7	33.5	115.3
1951	947.1	26.6	31.5	34.2	48.0	125.2
1952	1,283.1	30.3	35.3	38.3	50.4	246.7
1953	1,457.9	28.0	32.0	35.9	61.5	120.7
1954	1,250.3	24.5	28.3	32.7	58.1	93.6
1955	1,546.1	20.5	23.0	25.7	44.4	290.0
1956	1,691.9	21.4	24.2	27.3	53.5	136.0
1957	2,064.3	23.8	26.8	30.2	56.6	156.8
1958	1,707.6	22.2	25.8	29.7	65.4	80.9
1959	2,204.1	24.8	28.4	32.6	66.0	104.4
1960	2,699.4	26.1	29.7	34.0	65.6	133.8
<i>6 large firms</i>						
1946	2.2	3.1	4.3	5.0	5.1	12.0
1947	4.2	4.6	5.9	6.8	6.8	22.7
1948	3.8	3.0	3.8	4.3	4.5	11.8
1949	6.7	4.9	6.1	6.9	7.5	15.0
1950	9.0	5.3	6.6	7.4	8.0	20.6
1951	10.9	5.6	6.9	7.6	8.2	25.6
1952	18.9	8.1	9.8	11.1	11.8	30.8
1953	17.6	6.6	7.9	9.1	10.2	27.1
1954	30.8	10.4	12.6	14.5	16.9	29.6
1955	32.9	7.7	9.0	10.4	12.5	30.5
1956	59.4	13.4	15.9	18.3	23.8	38.9
1957	66.2	13.2	15.6	17.9	22.9	48.9
1958	85.7	17.8	21.4	25.0	33.9	38.0
1959	122.4	20.3	24.0	27.8	34.5	62.1
1960	134.8	20.9	24.7	28.7	37.3	59.3

(continued)

**TABLE D-1 (concluded)**

Year	Commercial Paper (million dollars)	Commercial Paper as Percentage of				
		Total Funds	Total Debt	Senior Debt	Short-Term Debt <sup>a</sup>	Open Credit Lines
<i>13 medium firms</i>						
1946	2.0	3.9	5.6	6.2	6.2	b
1947	3.9	5.4	7.2	7.6	8.4	29.9
1948	4.1	4.1	5.3	5.7	6.1	25.2
1949	8.2	7.2	9.3	10.1	10.8	36.7
1950	7.5	5.2	6.5	7.2	7.5	56.4
1951	10.1	5.8	7.2	8.0	8.4	38.3
1952	13.4	6.7	8.3	9.2	9.7	86.3
1953	13.1	6.1	7.6	8.5	9.1	33.4
1954	17.9	8.4	10.7	12.3	13.2	27.3
1955	13.4	4.7	5.7	6.5	7.2	36.4
1956	13.4	4.3	5.2	6.0	7.3	24.9
1957	12.5	3.7	4.6	5.2	6.6	21.3
1958	22.9	6.9	8.8	10.4	13.6	19.2
1959	28.8	7.1	8.6	9.9	12.2	36.2
1960	43.4	9.7	11.8	14.0	18.1	35.5
<i>17 small firms</i>						
1946	0.7	3.6	5.3	5.3	5.3	b
1947	0.8	3.6	5.5	5.7	5.8	b
1948	1.0	3.1	4.5	4.7	4.7	b
1949	0.9	2.4	3.5	3.8	3.8	176.2
1950	0.8	1.5	2.0	2.2	2.2	12.4
1951	1.1	1.8	2.6	2.8	2.9	8.1
1952	2.4	2.9	3.9	4.4	4.4	20.2
1953	2.1	2.2	2.9	3.3	3.4	13.8
1954	3.0	2.8	3.5	4.0	4.2	12.4
1955	2.0	1.3	1.6	1.8	2.0	9.8
1956	1.5	0.8	1.0	1.2	1.3	6.9
1957	2.7	1.4	1.7	2.0	2.3	7.8
1958	4.6	2.2	2.8	3.2	3.8	7.1
1959	5.3	2.5	3.1	3.6	4.4	13.1
1960	10.8	6.1	8.0	9.3	11.5	24.8

SOURCE: Finance-company reports to NBER. These reports were initiated several years ago by John M. Chapman, Director, Consumer Credit Management Program, Columbia University, and have been continued by the author. In a number of instances, particularly among the smaller firms, data are for end of fiscal year. Where possible, debt denominated in foreign currencies has been deducted.

<sup>a</sup>Includes current maturities of long-term debt, but excludes current liabilities other than notes payable (e.g., accruals).

<sup>b</sup>Bank debt exceeded credit lines in this year.

Appendix D

TABLE D-2

COMMERCIAL PAPER IN RELATION TO SELECTED BALANCE SHEET ITEMS,  
FORTY-EIGHT SALES FINANCE COMPANIES, 1934-38

Year	Commercial Paper (million dollars)	Commercial Paper as Percentage of				
		Total Assets	Total Funds	Total Debt	Short-Term Debt	Bank Debt
<i>48 firms</i>						
1934	150.0	19.5	22.5	38.0	41.2	81.2
1935	192.2	18.0	20.8	31.2	33.7	55.0
1936	262.5	17.1	19.7	26.7	35.3	59.2
1937	307.9	17.0	19.1	24.6	31.6	49.4
1938	153.3	12.4	14.3	22.0	34.3	62.0
<i>3 national firms</i>						
1937	262.1	18.2	20.6	25.8	34.6	57.2
1938	122.8	12.6	14.4	21.8	37.2	73.7
<i>5 regional firms</i>						
1937	20.6	10.1	11.3	16.0	18.0	22.6
1938	12.2	8.9	10.0	18.2	22.8	31.3
<i>40 local firms</i>						
1937	25.0	14.9	16.2	23.2	23.8	34.0
1938	18.4	14.8	16.0	27.4	28.3	44.0

SOURCE: Derived from John M. Chapman and Associates, *Commercial Banks and Consumer Instalment Credit*, New York, National Bureau of Economic Research, 1940, Tables 60 and 61.

Appendix D

TABLE D-3

COMMERCIAL PAPER IN RELATION TO SELECTED BALANCE SHEET ITEMS,  
VARYING NUMBERS OF FINANCE SUBSIDIARIES, 1946-60

Year	Number of Firms	Commercial Paper (million dollars)	Commercial Paper as Percentage of				
			Total Assets	Total Funds	Total Debt	Senior Debt	Short-Term Debt
1946	10	38.6	13.5	13.9	22.3	22.3	53.5
1947	10	125.0	25.5	26.4	34.3	34.3	55.0
1948	13	230.8	29.0	30.2	35.7	35.8	61.2
1949	15	310.4	22.4	23.5	26.3	28.2	42.5
1950	15	337.2	16.9	17.8	19.8	21.1	36.4
1951	16	504.4	25.1	26.6	29.7	31.6	50.8
1952	17	749.4	33.6	35.6	39.6	42.0	62.7
1953	20	834.3	25.9	27.4	29.8	32.7	63.6
1954	26	756.7	21.7	23.0	25.1	27.8	61.7
1955	34	928.9	18.9	20.0	21.6	23.7	53.6
1956	41	1,116.4	20.0	21.1	22.7	24.9	59.1
1957	49	1,327.0	20.7	21.6	23.4	25.4	56.4
1958	54	1,085.0	17.2	17.9	19.9	21.8	53.9
1959	54	1,484.7	20.2	21.1	23.4	25.6	54.0
1960	56	1,912.4	21.0	21.7	24.4	26.6	49.0

SOURCE: Derived from Victor L. Andrews, "Captive Finance Companies: Their Growth and Some Speculations on Their Significance," *Industrial Management Review*, fall 1961, Table 2.

Appendix D

TABLE D-4

COMMERCIAL PAPER IN RELATION TO SELECTED BALANCE SHEET ITEMS,  
SALES FINANCE COMPANIES, FEDERAL RESERVE SURVEYS,  
BY SIZE CLASSES, 1955 AND 1960

Size Classes (consumer loans outstanding, thousand dollars)	Commercial Paper <sup>a</sup> (million dollars)	Commercial Paper as Percentage of					
		Total Assets	Total Funds	Total Debt	Senior Debt	Short- Term Debt <sup>b</sup>	
<i>Mid-1955</i>							
Total	2,317	23.0	24.3	28.8	31.8	47.9	
25,000 and over	2,001	27.4	28.7	32.5	36.2	59.0	
5,000 - 24,999	76	9.1	9.7	11.7	12.8	15.3	
1,000 - 4,999	156	14.0	15.0	19.6	21.2	24.0	
500 - 999	51	13.6	14.9	22.1	23.2	28.3	
100 - 499	28	8.7	9.5	16.8	18.1	28.3	
Under 100	5	4.2	4.5	8.8	8.9	22.7	
<i>Mid-1960</i>							
Total	3,866	23.8	25.8	30.2	34.4	57.4	
100,000 and over	3,426	27.7	29.5	33.4	38.0	68.5	
25,000 - 99,000	221	15.9	18.0	21.1	23.9	31.9	
5,000 - 24,999	91	7.5	8.3	11.2	12.8	15.6	
2,500 - 4,999	36	10.2	13.3	18.0	21.8	24.0	
1,000 - 2,499	48	11.4	13.2	18.7	21.4	29.3	
500 - 999	18	8.4	9.6	16.7	18.6	25.4	
250 - 499	19	10.4	11.8	21.3	22.9	32.2	
100 - 249	6	8.5	9.8	22.2	24.0	33.3	
Under 100	2	4.8	5.9	22.2	25.0	40.0	

SOURCE: "Survey of Finance Companies, Mid-1955," *Federal Reserve Bulletin*, April 1957, and "Survey of Finance Companies, Mid-1960," *ibid.*, October 1961.

<sup>a</sup>The instructions to finance companies for filling in the item "commercial paper and other short-term notes payable" are: "Include all commercial paper whether sold to banks or others, and all short-term notes or loans payable to individuals or companies other than commercial banks."

<sup>b</sup>Sum of "short-term notes payable to banks" and "commercial paper and other short-term notes payable."

Appendix D

TABLE D-5

COMPOSITE RATIOS, INSTALMENT SALES FINANCE COMPANIES, 1935-60

	<i>Ratio to Debt<sup>a</sup> of</i>		<i>Ratio of</i>	<i>Ratio to Total Resources<sup>b</sup> of</i>		
	Bank Borrowings	Open Market Borrowings	Unused Lines to Open Market Notes	Current Debt	Long-Term Debt	Net Worth
1935	66.53	25.54	—	63.58	0.39	29.29
1936	61.95	28.36	—	62.27	3.60	27.14
1937	69.43	19.40	—	63.35	2.56	27.68
1938	63.53	22.25	723.50	51.01	3.55	38.78
1939	65.94	25.01	262.52	59.24	3.69	30.51
1940	66.23	24.59	154.49	63.19	4.86	25.51
1941	69.60	21.36	161.54	65.57	4.71	23.27
1947	84.20	9.61	378.26	70.55	7.15	16.37
1948	80.33	10.06	385.67	68.66	9.22	15.77
1949	75.89	13.02	341.88	65.80	11.41	15.75
1950	76.92	10.48	308.25	66.68	10.60	15.45
1951	73.44	11.41	317.08	65.98	11.68	15.68
1952	71.65	14.35	281.66	65.37	12.43	14.78
1953	65.84	14.13	364.30	60.75	17.37	14.77
1954	58.95	17.34	377.02	58.33	18.40	16.21
1955	67.68	10.06	458.18	60.20	18.86	13.58
1956	61.54	11.18	475.72	56.64	21.54	14.00
1957	60.28	11.24	560.34	55.23	22.56	14.24
1958	52.48	17.48	431.87	51.09	25.68	15.41
1959	56.28	17.07	380.97	54.57	23.26	14.03
1960	49.07	21.24	265.55	n.a.	n.a.	n.a.

SOURCE: Elmer E. Schmus, *Ratios of the Instalment Sales Finance and Small Loan Companies*, First National Bank of Chicago, November 1952, and subsequent releases by First National Bank of Chicago.

<sup>a</sup>Senior debt only, 1955-59.

<sup>b</sup>Includes unearned income and loss reserves.