

# NADA DATA

STATE OF THE INDUSTRY REPORT

# 2010



[www.nada.org/nadadata](http://www.nada.org/nadadata)

# NADA DATA

**T**HE NATION'S FRANCHISED NEW-CAR DEALERS sold just 10.4 million new light vehicles in 2009, as the recession deepened in the first half of the year. Sales were down dramatically from the previous year's 13.2 million units. The good news? Used-car values increased as the shortage of used units started to limit sales for used vehicles. The demand for used cars increased more quickly than the supply increased. This shortage of used vehicles, along with other factors, contributed to higher second-half new-vehicle sales and a V-shaped recovery of manufacturing in the United States. The typical dealership's dollar sales started to rise in each department as the economy began to grow in the second half of 2009. Consumer confidence also started recovering in 2009, with the Conference Board's Index of Consumer Confidence first stabilizing and then making modest upward moves during 2009 and early 2010.

Although the rate of job creation has headed upward, the number of inactive job seekers returning to the labor force has kept unemployment rates just short of 10 percent during the first half of 2010. Housing prices have stabilized in most states and are moving slowly upward in some states. Pent-up demand for housing, typical of most recoveries, will not characterize this recovery.

The Federal Reserve has made it clear that short-term rates are likely to remain low during 2010. The approach to the crisis in confidence in the financial markets, where counter-parties over-promised and under-delivered hedging for the mortgage market, was to treat it as a liquidity problem and supply much monetary ease. Add to that the strong net stimulus in fiscal policy in the economy and the stage is set for a U.S. monetary and fiscal policy that will need to be reigned in by late 2011.

Dealerships in 2009 benefited from a 3.5 percent increase in used-car sales revenue and a modest 1.9 percent gain in service and parts sales, even as new-vehicle sales fell 15 percent. Total 2009 dealership dollar sales were an estimated \$487 billion, down by more than a billion from 2008, as the number of dealerships declined. Dealerships' payroll employment dropped to just under one million people. Total payroll expense in 2009 fell to \$43.5 billion, down 18.2 percent from 2008.

Dealership expenditures, excluding cost of goods sold, dropped to an estimated \$71 billion in 2009 from \$77 billion the previous year. New-vehicle dealers remained major generators of federal, state, and local tax revenue, as well as major contributors of both time and money to local and regional charities.

**Note:** *NADA's Industry Analysis Division (Paul Taylor, chief economist) prepares NADA Data. Contact NADA Industry Analysis, 8400 Westpark Drive, McLean, VA 22102, call 800.252.NADA, or e-mail industryrelations@nada.org.*

## About this special section

On the following pages, you will find the results of NADA's yearlong analysis of the U.S. car and truck industry, with emphasis on the retail side of the business.

The key segments covered are:

<b>Average Dealership Profile</b> .....	<b>2</b>
<b>NADA Optimism Index</b> .....	<b>3</b>
<b>New-Car Dealerships</b> .....	<b>4</b>
<b>Total Dealership Sales Dollars</b> .....	<b>5</b>
<b>The New-Vehicle Department</b> .....	<b>7</b>
<b>F&amp;I, Service Contracts</b> .....	<b>9</b>
<b>The Used-Vehicle Department</b> .....	<b>10</b>
<b>Service, Parts, and Body Shop</b> .....	<b>11</b>
<b>Employment and Payroll</b> .....	<b>13</b>
<b>Vehicles in Operation and Scrappage</b> .....	<b>15</b>
<b>Advertising and the Dealership</b> .....	<b>17</b>
<b>Consumer Credit</b> .....	<b>18</b>
<b>New-Truck Dealerships</b> .....	<b>19</b>
<b>Dealership Financial Trends</b> .....	<b>20</b>

# Average Dealership Profile

NEW-VEHICLE SALES for the nation's franchised dealers fell to 10.4 million units in 2009 as recession in the first half of the year continued to diminish new light-vehicle sales. Total dealership revenue decreased to an estimated \$501 billion from \$598 billion in 2008. Used-car sales regained profitability in 2009 after a slight net loss in 2008. New-vehicle sales revenue fell by 15.4 percent from 2008 while used-car revenue increased by 3.5 percent. Net profit for the typical dealer increased by 43.7 percent from 2008, yielding 1.5 percent net profit before taxes on total sales, or \$398,067 in net pretax profit for 2009, up from \$277,045 for 2008.

## TOTAL GROSS AND EXPENSE

Average total dealership gross as a percentage of sales improved to 13.7 percent in 2009. Operating profit increased to 0.5 percent. Total expense dropped a modest

4.7 percent. Floor-plan expense fell and advertising outlays decreased 13.6 percent. Some major expenses for the average dealership last year:

Payroll .....	\$2,354,000
Advertising .....	\$292,010
Rent and equivalent .....	\$398,456

## TOTAL DEALERSHIP PROFITS

Used cars, along with service and parts, produced all of the operating profits in 2009, as new-vehicle net profits remained in the red, which is typical for a recession year.

## Average dealership profile

	2004	2005	2006	2007	2008	2009	% change 2008 to 2009
Total dealership sales	\$33,009,335	\$32,318,461	\$31,855,768	\$33,379,501	\$28,517,867	\$26,378,752	-7.50%
Total dealership gross	\$ 4,363,870	\$ 4,307,479	\$ 4,338,448	\$ 4,546,212	\$ 4,077,497	\$ 4,020,028	-1.40%
As % of total sales	13.20%	13.30%	13.60%	13.60%	14.30%	15.20%	
Total dealership expense	\$ 3,804,184	\$ 3,776,446	\$ 3,848,964	\$ 4,038,084	\$ 3,800,451	\$ 3,621,961	-4.70%
As % of total sales	11.50%	11.70%	12.10%	12.10%	13.30%	13.70%	
Net profit before taxes	\$ 559,686	\$ 531,033	\$ 489,484	\$ 508,127	\$ 277,045	\$ 398,067	43.70%
As % of total sales	1.70%	1.60%	1.50%	1.50%	1.00%	1.50%	
(Net pretax profit in constant 1982 dollars)	\$ 296,287	\$ 271,906	\$ 242,799	\$ 245,117	\$ 128,679	\$ 185,579	44.20%
New-vehicle department sales	\$20,116,264	\$19,469,000	\$18,795,482	\$19,545,287	\$16,302,280	\$13,798,152	-15.40%
As % of total sales	60.90%	60.20%	59.00%	58.60%	57.20%	52.30%	
Used-vehicle department sales	\$ 9,090,534	\$ 9,067,128	\$ 9,265,366	\$ 9,821,093	\$ 8,164,415	\$ 8,452,020	3.50%
As % of total sales	27.50%	28.10%	29.10%	29.40%	28.60%	32.00%	
Service and parts sales	\$ 3,802,537	\$ 3,782,334	\$ 3,794,920	\$ 4,013,121	\$ 4,051,172	\$ 4,128,580	1.90%
As % of total sales	11.50%	11.70%	11.90%	12.00%	14.20%	15.70%	
New-vehicle average selling price	\$ 28,060	\$ 28,381	\$ 28,451	\$ 28,797	\$ 28,350	\$ 28,966	2.20%
Used-vehicle average selling price	\$ 14,247	\$ 14,923	\$ 15,518	\$ 15,714	\$ 15,200	\$ 14,976	-1.50%
Average net worth (as of 12/31)	\$ 2,301,417	\$ 2,258,753	\$ 2,160,181	\$ 2,306,742	\$ 2,251,583	\$ 2,213,007	-1.70%
Net profit as % of net worth	24.30%	23.50%	22.70%	22.00%	12.40%	18.00%	

Source: NADA Industry Analysis Division

## NADA Optimism Index

THE CONSUMER CONFIDENCE INDEX increased to a level of 57.7 in April 2010 and then rose to 63.3 in May, according to the Conference Board.

Improved consumer confidence has resulted, in part, from the stabilization of home prices currently under way in most states, and should contribute to higher new-vehicle sales during the second half of 2010.

The NADA Optimism Index, which reflects new-vehicle dealers' optimism about profitability over the coming quarter, dropped below 80 in the third quarter of 2008 and stayed below that level through the second quarter of 2009. In third-quarter 2009, the NADA Optimism Index jumped to 136 and stayed above 110 before increasing to 140 in the first quarter of 2010 and then 154 in the second quarter. In past recessions, strong improvements in the index were followed by higher light-vehicle sales.

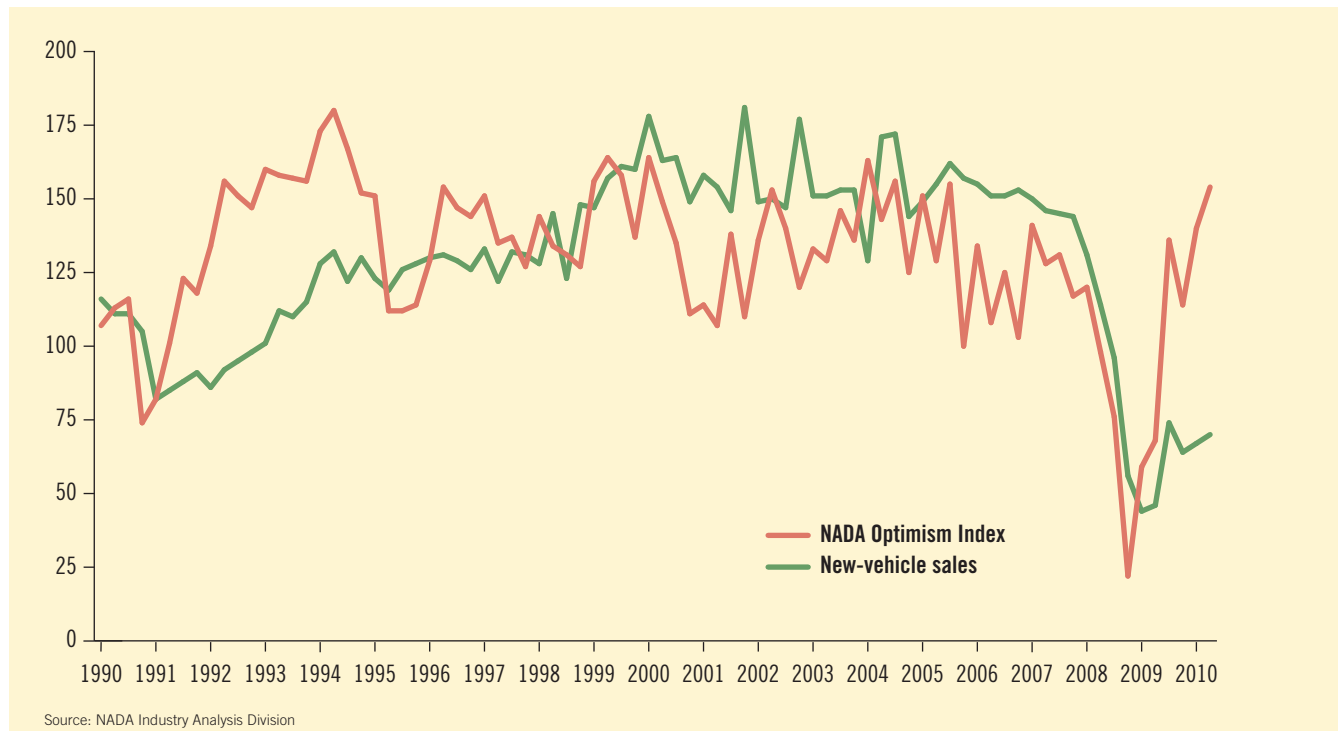
### Expectations for dealership profits

Percent of dealers expecting profits to:

	Increase	Not change	Decline	Value index
April 1997	42.4%	44.0%	13.6%	135
April 1998	41.9	43.3	14.8	134
April 1999	56.5	37.8	5.8	164
April 2000	49.0	39.9	11.1	149
April 2001	31.5	40.7	27.8	107
March 2002	53.2	36.7	10.1	153
March 2003	40.2	42.6	17.2	129
March 2004	47.1	40.9	12.0	143
March 2005	41.6	38.7	19.7	129
March 2006	32.9	41.1	26.0	108
March 2007	40.7	42.6	16.7	128
March 2008	28.0	44.2	27.8	98
March 2009	18.6	39.9	41.5	68
March 2010	54.2	34.4	11.4	152

Source: NADA Industry Analysis Division

### Optimism index vs. new-vehicle sales



Source: NADA Industry Analysis Division

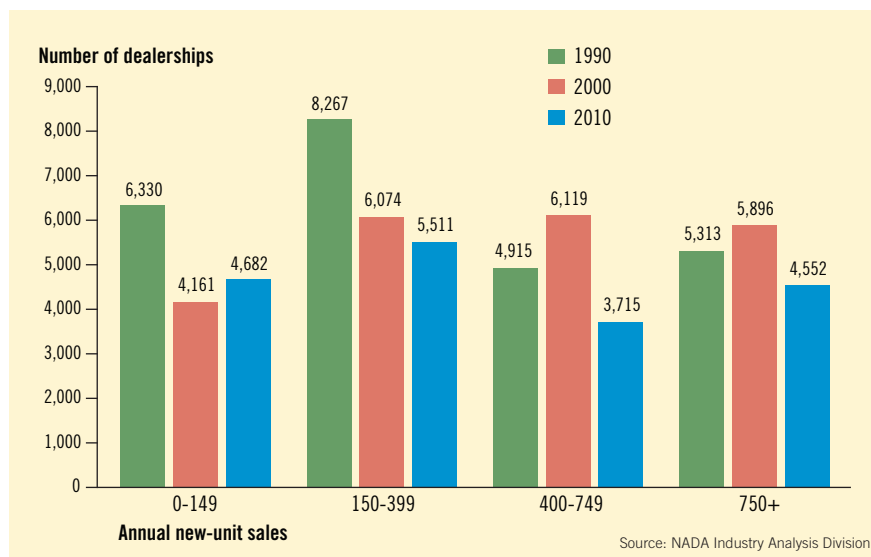
## New-Car Dealerships

THE RECESSION FURTHER increased franchised dealer body consolidation, not to mention manufacturer financial troubles. The net closure rate of dealerships was 1,550 during 2009. Expect the number of dealerships closed on a net basis to be nearer to 500 in 2010.

The bar graph at right shows that the loss of dealerships over the past 20 years has been largely concentrated in the smaller-volume categories. At the beginning of 1990, there were 6,330 dealerships with sales of less than 150 new vehicles per year. Today, there are only 4,161 such stores. In contrast, 8,267 dealerships now sell 400-plus new units per year despite slow sales during the recession; in 1980, also a severe recession year, 7,673 stores of that size existed. In 1990, a less severe recession year, there were 10,228 such stores.

Recovering new-vehicle sales will place many dealerships into larger sales categories in the next two years.

### Number of dealerships, by volume of new-unit sales



### New-car dealerships

As of January 1	
1989	25,000
1990	24,825
1991	24,200
1992	23,500
1993	22,950
1994	22,850
1995	22,800
1996	22,750
1997	22,700
1998	22,600
1999	22,400
2000	22,250
2001	22,150
2002	21,800
2003	21,725
2004	21,650
2005	21,640
2006	21,495
2007	21,200
2008	20,770
2009	20,010
2010	18,460

Source: NADA Industry Analysis Division

### New-car dealerships, by state

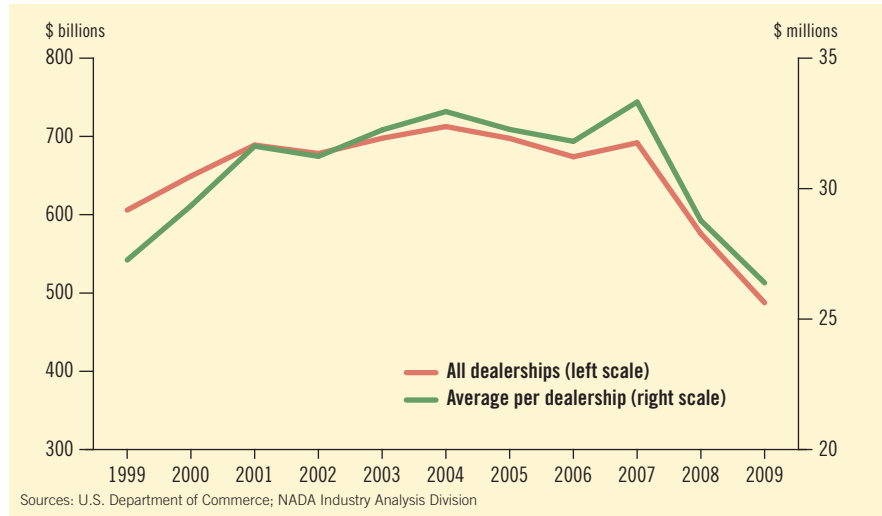
As of January 1, 2010	
Alabama	321
Alaska	32
Arizona	233
Arkansas	241
California	1,357
Colorado	265
Connecticut	279
Delaware	58
D.C.	1
Florida	863
Georgia	532
Hawaii	62
Idaho	112
Illinois	826
Indiana	454
Iowa	334
Kansas	243
Kentucky	275
Louisiana	304
Maine	138
Maryland	315
Massachusetts	426
Michigan	690
Minnesota	385
Mississippi	211
Missouri	426
Montana	123
Nebraska	194
Nevada	104
New Hampshire	149
New Jersey	509
New Mexico	127
New York	951
North Carolina	600
North Dakota	91
Ohio	812
Oklahoma	287
Oregon	249
Pennsylvania	1,002
Rhode Island	56
South Carolina	277
South Dakota	109
Tennessee	371
Texas	1,241
Utah	139
Vermont	87
Virginia	492
Washington	347
West Virginia	147
Wisconsin	545
Wyoming	66
<b>Total U.S.</b>	<b>18,458</b>

Source: NADA Industry Analysis Division

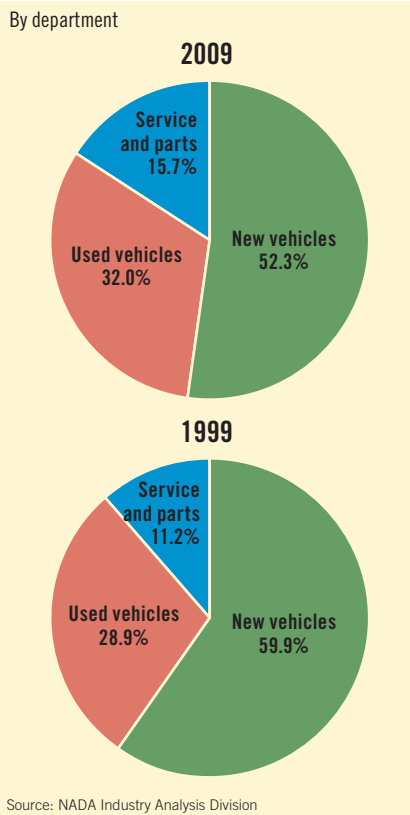
## Total Dealership Sales Dollars

TOTAL DOLLAR SALES at the nation's new-vehicle dealerships fell to \$486.9 billion in 2009 from \$576.1 billion. New-vehicle sales dollars fell by 15.4 percent, while used-vehicle sales revenue increased by 3.5 percent. Average new-vehicle expenditure rose to \$28,966 from \$28,351. Used-car prices fell slightly, to \$14,976 from \$15,200, as gross as a percentage of selling price increased to 11.49 percent. Dealers returned to a profit per used car retailed of \$148, after a \$5 net loss during 2008. Sales dips were most difficult in the West and in Florida and Georgia.

### Total sales of new-car dealerships



### Share of total dealership sales dollars



### 2009 total sales, by state

State	All dealerships (millions)	Average per dealership (thousands)	State	All dealerships (millions)	Average per dealership (thousands)
Alabama	\$6,426	\$20,019	Montana	\$1,926	\$15,659
Alaska	1,016	31,745	Nebraska	3,275	16,881
Arizona	9,935	42,640	Nevada	3,348	32,192
Arkansas	4,290	17,799	New Hampshire	3,288	22,064
California	49,465	36,425	New Jersey	19,261	37,840
Colorado	7,456	28,137	New Mexico	2,723	21,438
Connecticut	6,627	23,752	New York	29,814	31,351
Delaware	1,358	23,418	North Carolina	13,745	22,908
Florida	28,181	32,654	North Dakota	1,580	17,358
Georgia	12,888	24,225	Ohio	17,763	21,876
Hawaii	1,777	28,665	Oklahoma	19,135	66,672
Idaho	1,833	16,370	Oregon	4,773	19,170
Illinois	20,405	24,704	Pennsylvania	22,751	22,705
Indiana	8,692	19,145	Rhode Island	1,594	28,472
Iowa	5,580	16,705	South Carolina	5,834	21,061
Kansas	4,573	18,817	South Dakota	1,549	14,210
Kentucky	5,550	20,181	Tennessee	8,656	23,331
Louisiana	7,047	23,180	Texas	41,153	33,134
Maine	2,515	18,225	Utah	3,960	28,491
Maryland	9,817	31,166	Vermont	1,251	14,383
Massachusetts	12,063	28,317	Virginia	13,253	26,936
Michigan	16,796	24,342	Washington	8,910	25,678
Minnesota	7,560	19,637	West Virginia	2,618	17,811
Mississippi	3,422	16,217	Wisconsin	8,551	15,690
Missouri	9,890	23,215	Wyoming	1,027	15,566
<b>Total U.S.</b>	<b>\$486,899</b>	<b>\$26,379</b>			

Source: NADA Industry Analysis Division

## Relationship of new-car dealerships to total retail trade in 2009, by state (estimated)

	Number of dealers as % of total retail establishments in the state	Dealer sales as % of total retail sales in the state	Dealer payroll as % of total retail payroll in the state	Dealer employees as % of total retail employment in the state
Alabama	1.7%	13.1%	10.8%	6.0%
Alaska	1.6%	10.4%	9.3%	5.5%
Arizona	1.7%	14.0%	11.8%	6.8%
Arkansas	2.4%	12.9%	11.1%	5.8%
California	2.2%	13.9%	11.0%	6.5%
Colorado	1.5%	14.1%	11.4%	6.1%
Connecticut	2.5%	13.0%	12.1%	6.7%
Delaware	1.8%	12.8%	13.2%	7.2%
Florida	1.8%	14.2%	11.8%	6.6%
Georgia	1.8%	14.0%	11.4%	6.2%
Hawaii	1.3%	10.4%	11.6%	5.3%
Idaho	2.0%	11.9%	10.5%	6.1%
Illinois	2.7%	13.1%	11.7%	6.4%
Indiana	2.3%	12.3%	11.0%	6.1%
Iowa	3.0%	12.4%	11.4%	6.0%
Kansas	2.7%	12.7%	11.8%	6.2%
Kentucky	2.1%	11.2%	9.9%	5.4%
Louisiana	2.0%	13.3%	12.2%	6.5%
Maine	2.0%	10.8%	10.5%	5.7%
Maryland	2.1%	14.5%	12.9%	7.2%
Massachusetts	2.1%	12.5%	11.2%	5.7%
Michigan	2.5%	15.2%	12.8%	6.7%
Minnesota	2.0%	12.4%	10.3%	5.8%
Mississippi	1.9%	12.3%	9.8%	5.2%
Missouri	2.2%	13.2%	11.5%	6.2%
Montana	2.6%	11.8%	9.9%	6.0%
Nebraska	3.0%	12.4%	11.3%	5.9%
Nevada	1.4%	12.2%	11.7%	6.1%
New Hampshire	2.7%	12.5%	11.9%	6.2%
New Jersey	2.1%	14.2%	12.1%	6.2%
New Mexico	2.5%	12.6%	11.7%	6.7%
New York	1.7%	11.1%	8.7%	4.9%
North Carolina	2.3%	13.3%	11.4%	6.3%
North Dakota	2.6%	13.0%	12.4%	6.8%
Ohio	2.3%	13.0%	11.2%	6.3%
Oklahoma	2.7%	14.4%	13.0%	6.8%
Oregon	1.9%	12.0%	10.4%	6.0%
Pennsylvania	2.6%	13.1%	11.8%	6.7%
Rhode Island	2.0%	12.7%	11.1%	5.7%
South Carolina	2.0%	12.3%	10.2%	5.7%
South Dakota	2.8%	11.6%	12.2%	6.4%
Tennessee	2.3%	13.2%	10.3%	5.9%
Texas	2.2%	14.8%	12.9%	6.8%
Utah	2.1%	12.0%	9.7%	5.5%
Vermont	2.7%	12.3%	11.0%	6.3%
Virginia	2.0%	12.5%	12.5%	6.6%
Washington	2.0%	11.1%	10.2%	6.3%
West Virginia	2.5%	12.3%	10.3%	6.1%
Wisconsin	2.9%	12.8%	11.0%	6.6%
Wyoming	2.7%	12.1%	11.7%	6.5%
<b>Total U.S.</b>	<b>2.2%</b>	<b>13.2%</b>	<b>11.3%</b>	<b>6.3%</b>

Source: NADA Industry Analysis Division

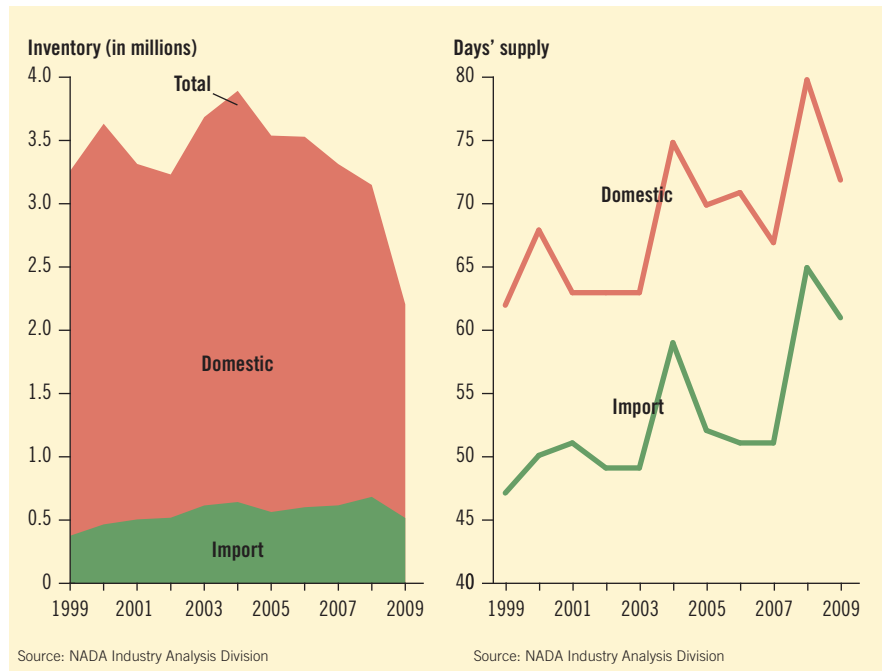
## The New-Vehicle Department

NEW-VEHICLE SALES FOR 2009 were 10.4 million units—down 21.2 percent from 2008’s 13.2 million. Sales volume during 2010, by contrast, is running at more than 11 million units in the first four months of 2010 and at nearly 11 million units for the previous 12 months. Total automaker inventory was lower in 2009 by more than 1.25 million light vehicles.

Light-truck sales were 47.5 percent of total light vehicles sold in 2009, down from the 48.4 percent of total new light-vehicle sales in 2008. Crossover utility vehicles (CUVs) continued to show relative sales strength, down just 5.5 percent while all other major categories of vehicles saw sales decline by double-digit percentages.

The average selling price of a new vehicle, including accessories and options (“Average Dealership Profile”) decreased in 2008 by 1.5 percent to \$28,350 and then improved by 2.2 percent in 2009 to \$28,966. Of all brands, only Hyundai, Kia, and Subaru saw sales gains in 2009. Overall, total light-vehicle sales fell by 22 percent for the year, but increased by 4.2 percent in the fourth quarter of 2009, as economic recovery got under way in the second half of the year.

### New-vehicle inventories and days’ supply



### New-vehicle sales, by month

	2009 Actual	2009 SAAR* (in millions)	2008 Actual	2008 SAAR* (in millions)	% change 2008 to 2009
January	654,802	9.6	1,039,116	15.2	-37.0%
February	687,076	9.1	1,169,217	15.3	-41.2%
March	855,167	9.8	1,351,542	15.1	-36.7%
April	817,302	9.3	1,244,386	14.4	-34.3%
May	923,830	9.9	1,392,840	14.3	-33.7%
June	857,410	9.7	1,185,435	13.6	-27.7%
July	995,667	11.2	1,132,182	12.5	-12.1%
August	1,259,996	14.1	1,246,053	13.7	1.1%
September	744,165	9.2	962,427	12.5	-22.7%
October	835,672	10.4	834,752	10.5	0.1%
November	744,349	10.9	743,604	10.1	0.1%
December	1,026,246	11.2	893,072	10.3	14.9%
<b>Full Year</b>	<b>10,401,682</b>	<b>10.4</b>	<b>13,194,626</b>	<b>13.2</b>	<b>-21.2%</b>

\*Seasonally adjusted annual rate  
Source: NADA Industry Analysis Division

Total light-vehicle sales fell by 22 percent for the year, but increased by 4.2 percent in the fourth quarter of 2009.

## New light-duty vehicle sales, by year

Year	New cars	Light-duty trucks	Total light-duty vehicles	Light-duty trucks as % of total
1999	8,698,600	8,197,200	16,895,800	48.5%
2000	8,846,900	8,502,800	17,349,700	49.0
2001	8,422,600	8,699,300	17,121,900	50.8
2002	8,103,200	8,714,300	16,817,500	51.8
2003	7,609,800	9,024,900	16,634,700	54.3
2004	7,505,900	9,360,600	16,866,500	55.5
2005	7,666,700	9,278,300	16,945,000	54.8
2006	7,780,800	8,721,000	16,502,700	52.8
2007	7,618,400	8,470,900	16,089,300	52.6
2008	6,813,550	6,381,050	13,194,600	48.4
2009	5,456,300	4,945,400	10,401,700	47.5
<b>Average 1999–2009</b>	<b>7,683,886</b>	<b>8,208,705</b>	<b>15,892,673</b>	<b>51.5%</b>

Source: NADA Industry Analysis Division

## Number of new vehicles sold and selling price

Year	New vehicles sold per dealership	Average retail selling price
1999	759	\$24,450
2000	783	24,900
2001	785	25,800
2002	774	26,150
2003	769	27,550
2004	779	28,050
2005	788	28,400
2006	778	28,450
2007	775	28,800
2008	659	28,350
2009	563	28,966

Source: NADA Industry Analysis Division

## New-vehicle sales and market share, by manufacturer

Year	Chrysler	Ford	General Motors	Toyota	Honda	Nissan	Volkswagen	Other imports	Total
1999	2,638,600 15.62%	4,115,600 24.36%	4,974,600 29.44%	1,475,400 8.73%	1,076,900 6.37%	677,900 4.01%	381,500 2.26%	1,555,300 9.21%	16,895,800
2000	2,522,700 14.54%	4,147,700 23.91%	4,911,700 28.31%	1,619,200 9.33%	1,158,900 6.68%	752,800 4.34%	435,900 2.51%	1,800,800 10.38%	17,349,700
2001	2,273,200 13.28%	3,915,500 22.87%	4,852,500 28.34%	1,741,300 10.17%	1,207,600 7.05%	703,700 4.11%	438,900 2.56%	1,989,200 11.62%	17,121,900
2002	2,205,450 13.11%	3,576,250 21.27%	4,815,150 28.63%	1,756,150 10.44%	1,247,850 7.42%	739,850 4.40%	423,850 2.52%	2,052,950 12.21%	16,817,500
2003	2,127,450 12.79%	3,437,700 20.67%	4,716,050 28.35%	1,866,300 11.22%	1,349,850 8.11%	794,800 4.78%	389,100 2.34%	1,953,450 11.74%	16,634,700
2004	2,206,000 13.08%	3,271,100 19.39%	4,657,400 27.61%	2,060,050 12.21%	1,394,400 8.27%	855,000 5.07%	334,050 1.98%	2,088,500 12.38%	16,866,500
2005	2,304,900 13.60%	3,106,900 18.34%	4,456,800 26.30%	2,260,300 13.34%	1,462,500 8.63%	1,076,900 6.36%	307,250 1.81%	1,969,450 11.62%	16,945,000
2006	2,142,500 12.98%	2,848,100 17.26%	4,067,600 24.65%	2,542,500 15.41%	1,509,400 9.15%	1,019,500 6.18%	325,300 1.97%	2,047,900 12.41%	16,502,700
2007	2,076,100 12.90%	2,502,000 15.55%	3,824,550 23.77%	2,620,800 16.29%	1,551,550 9.64%	1,068,500 6.64%	324,050 2.01%	2,121,750 13.19%	16,089,300
2008	1,447,750 10.97%	1,942,050 14.72%	2,955,900 22.40%	2,217,700 16.81%	1,428,800 10.83%	951,450 7.21%	310,900 2.36%	1,940,050 14.70%	13,194,600
2009	927,200 8.91%	1,656,100 15.92%	2,072,200 19.92%	1,770,200 17.02%	1,150,800 11.06%	770,100 7.40%	296,200 2.85%	1,758,900 16.91%	10,401,700
<b>Average 1999–2009</b>	<b>2,079,259 13.08%</b>	<b>3,138,091 19.75%</b>	<b>4,209,495 26.49%</b>	<b>1,993,627 12.54%</b>	<b>1,321,686 8.32%</b>	<b>855,500 5.38%</b>	<b>360,636 2.27%</b>	<b>1,934,386 12.17%</b>	<b>15,892,673</b>

Source: NADA Industry Analysis Division

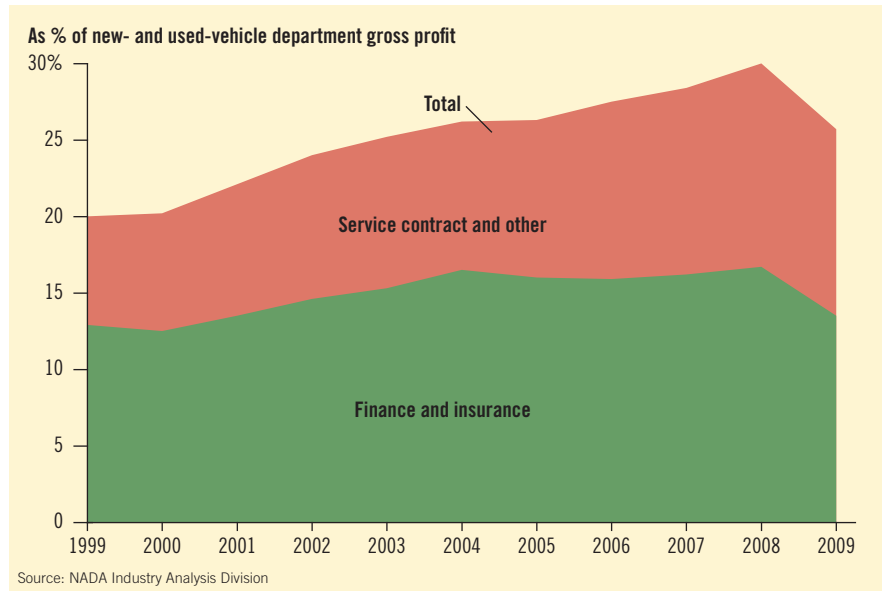
## F&I, Service Contracts

GROSS PROFIT MARGIN on the sale of new units was 4.5 percent of the selling price in 2009, up from 4.4 percent in 2008, a year made difficult by volatile gasoline prices. The recession and falling new-vehicle sales worsened in the first half of the year, even as the credit market improved somewhat to increase new-vehicle F&I penetration to 55.7 percent in 2009. Aftermarket income (combined gross from F&I and service contracts) fell to 25.7 percent of new- and used-vehicle department gross profit in 2009 from nearly 30 percent in 2008 as customers economized during the deepening recession. Both F&I and service contract penetration rates fell for new and used vehicles combined, as financing remained difficult for customers with credit rated "Alt-A" and below.

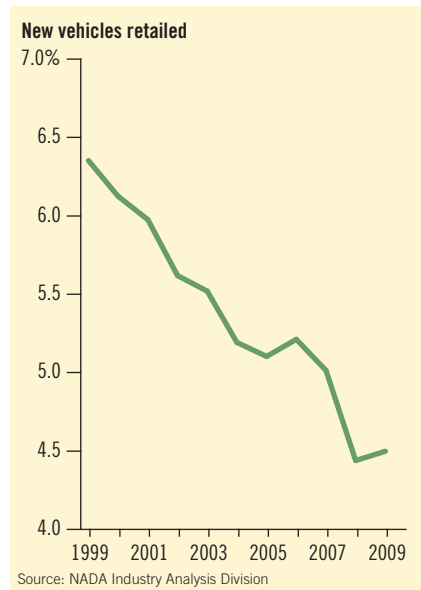
Despite improvement in vehicle quality and lengthening new-vehicle warranties, service contract penetration for new vehicles retailed held

share at 32.4 percent for 2009, well off the relative peaks of 35 percent in 1986 and 34 percent in 2004.

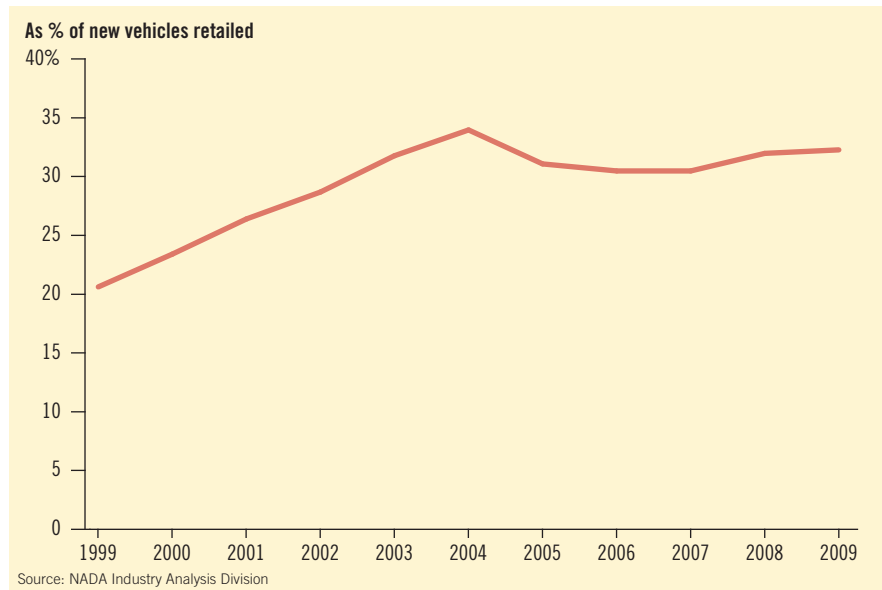
### Aftermarket income



### Gross as percentage of selling price



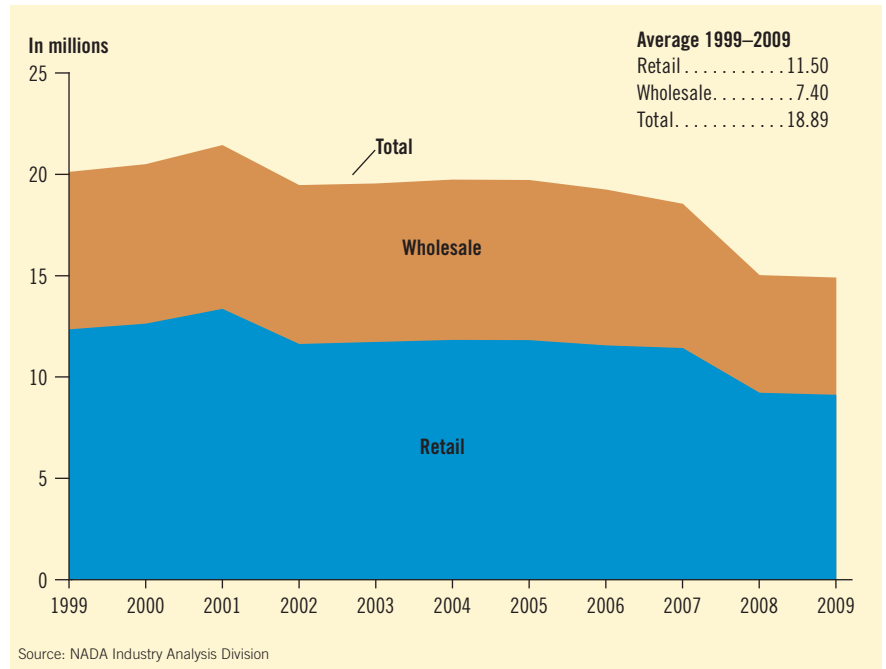
### Service contract penetration rates



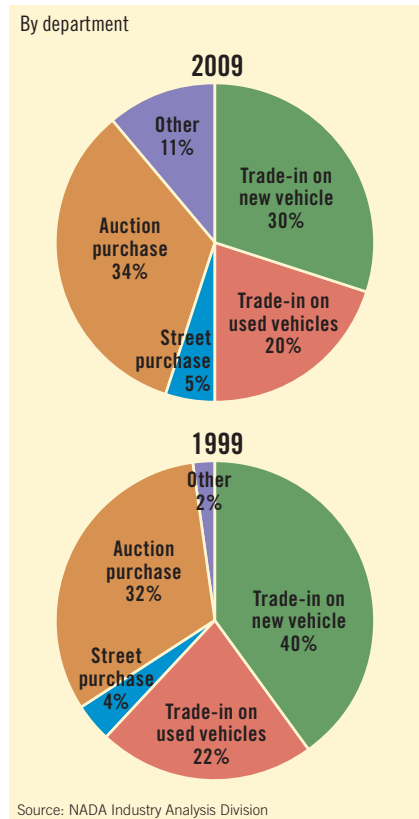
## The Used-Vehicle Department

NEW-VEHICLE DEALERS sold nearly 15 million used vehicles during 2009. Of these, 9.1 million vehicles were retailed and 5.8 million were wholesaled. The average selling price of a used unit retailed in 2009 was \$14,976, down slightly from the \$15,201 of 2008, as the used-car market faced shortages of trade-ins. New-vehicle dealers acquired half of the used units from trade-ins and half from auctions, street purchases, or other sources. Auctions accounted for 32 percent of used cars retailed in 1999 and 34 percent in 2009, as other sources such as brokers increased to 11 percent in the difficult used-car market.

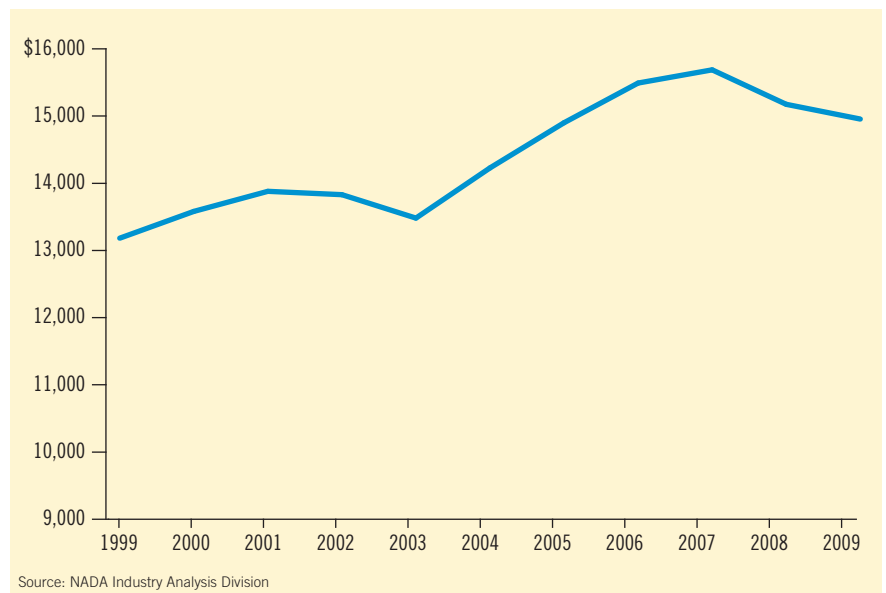
### Used-vehicle sales by new-car dealerships



### Sources of used vehicles retailed by dealerships



### Average retail selling price of used vehicles retailed by new-car dealerships



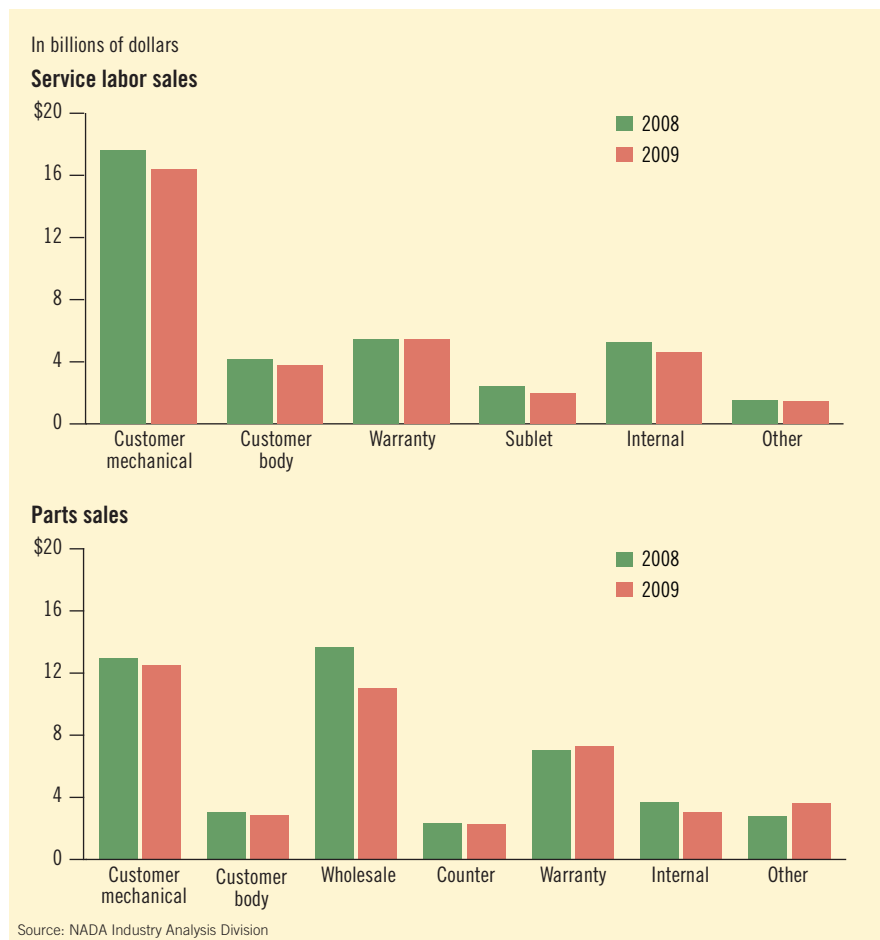
## Service, Parts, and Body Shop

TOTAL FRANCHISED DEALERSHIP service and parts sales topped \$76 billion in 2009, down 6.9 percent from \$82 billion in 2008. Dealers face increased competition from independent service stations and quick-lube centers, but continue to attract customers with competitive pricing and upgraded facilities. Last year's service sales saw reduced work because of slower new-vehicle sales and improved quality. An increase to \$91 of the hourly customer-paid mechanical labor rate helped contribute to a 1.9 percent overall service and parts revenue increase per-dealer in 2009.

Some 73 percent of dealers offered evening service hours, weekend hours, or both, up 2 percent from 2008. But the average service department was open for business for 54 hours per week in 2009, down from 57 hours per week in 2008, as the volume of new- and used-vehicle preparation declined and dealers attempted to rein in costs.

In recent years, more dealerships have opted out of the body shop business. Still, in 2009, 35 percent of dealerships featured on-site body shops, the same percentage as in 2008. Auto body work performed by dealerships fell to \$6.6 billion in 2009 (from \$7.2 billion in 2008) as some customers postponed minor repairs.

### Dealerships' total service and parts sales



### Profile of dealerships' service and parts operations, 2009

	Average dealership	All dealers
Total service and parts sales	\$4,128,580	\$76.21 billion
Total gross profit as percent of service and parts sales	46.24%	
Total net profit as percent of service and parts sales	8.38%	
Total number of repair orders written	13,884	256 million
Total service and parts sales per customer repair order	\$217	
Total service and parts sales per warranty repair order	\$273	
Number of technicians (including body)	14	249,926
Number of service bays (excluding body)	17	
Total parts inventory	\$260,448	
Average customer mechanical labor rate	\$91	

Source: NADA Industry Analysis Division

In 2009, some 73 percent of dealers offered evening service hours, weekend hours, or both, up 2 percent from 2008.

## Dealerships' total service and parts sales

In billions of dollars

	Amount	% change
1998	\$63.56	1.0%
1999	67.66	6.5
2000	73.83	9.1
2001	80.10	8.5
2002	83.11	3.8
2003	85.35	2.7
2004	85.48	0.2
2005	85.16	-0.4
2006	80.45	-5.5
2007	83.35	3.6
2008	81.84	-1.8
2009	76.21	-6.9

Source: NADA Industry Analysis Division

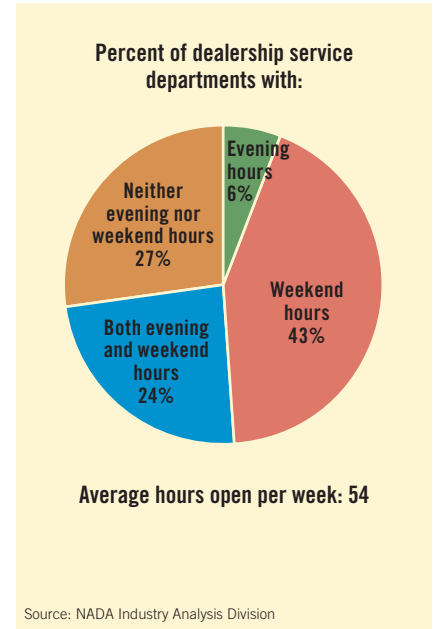
## Dealerships' service and parts sales

In billions of dollars

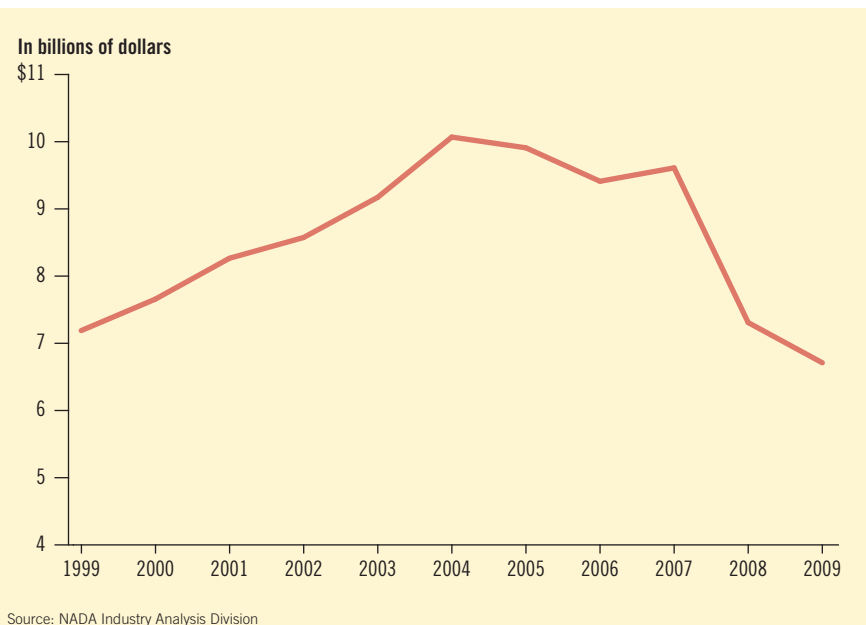
	2008	2009	% change
<b>Service labor sales</b>			
Customer mechanical	\$17.58	\$16.38	-6.8%
Customer body	4.13	3.75	-9.4
Warranty	5.42	5.44	0.3
Sublet	2.44	1.98	-19.0
Internal	5.24	4.58	-12.6
Other	1.49	1.46	-2.2
<b>Total service labor</b>	<b>\$36.31</b>	<b>\$33.58</b>	<b>-7.5%</b>
<b>Parts sales</b>			
Customer mechanical	\$12.96	\$12.48	-3.7%
Customer body	3.07	2.86	-6.8
Wholesale	13.67	11.05	-19.2
Counter	2.34	2.27	-2.9
Warranty	7.03	7.27	3.4
Internal	3.67	3.06	-16.7
Other	2.79	3.65	30.5
<b>Total parts</b>	<b>\$45.53</b>	<b>\$42.63</b>	<b>-6.4%</b>
<b>Total service and parts</b>	<b>\$81.84</b>	<b>\$76.21</b>	<b>-6.9%</b>

Source: NADA Industry Analysis Division

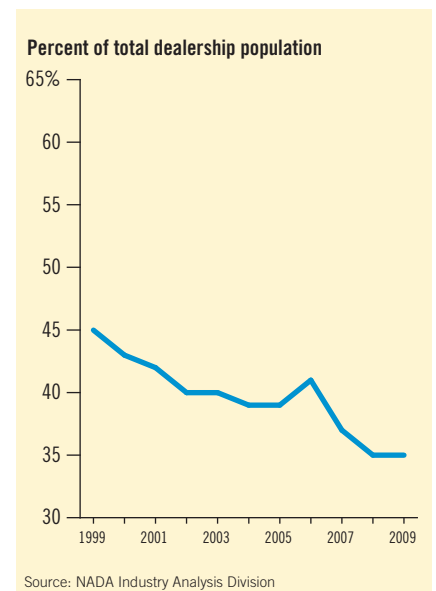
## Service department hours of operation



## Total dealership body shop sales



## Dealerships operating on-site body shops



## Employment and Payroll

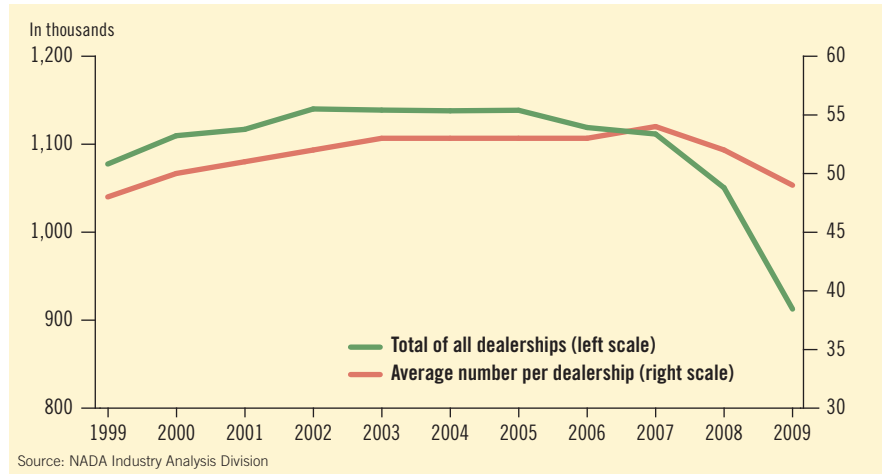
FRANCHISED DEALERS ARE MAJOR employers, as well as significant contributors to their communities' economies, tax bases, and civic and charitable organizations. In past years, total dealership employment had remained above one million individuals, but in 2009, dealership closings decreased employment to 912,600 employees from 1,057,500 in 2008.

The number and types of employees vary significantly among dealerships, depending on store characteristics such as size, location, makes handled, and distribution of sales among departments. Total dealership employment count in 2009 was estimated as follows:

New- and used-vehicle salespeople .....	171,724
Technicians.....	249,926
Service and parts workers (other than technicians) ....	277,480
Supervisors, general office workers, and others .....	213,469
<b>Total .....</b>	<b>912,600</b>

The average dealership in 2009 employed 49 people and had an annual payroll of \$2,354,000. The payroll for all dealerships was \$43.5 billion, and represented almost 13 percent of the nation's total retail trade payroll.

### Estimated number of employees of new-car dealerships

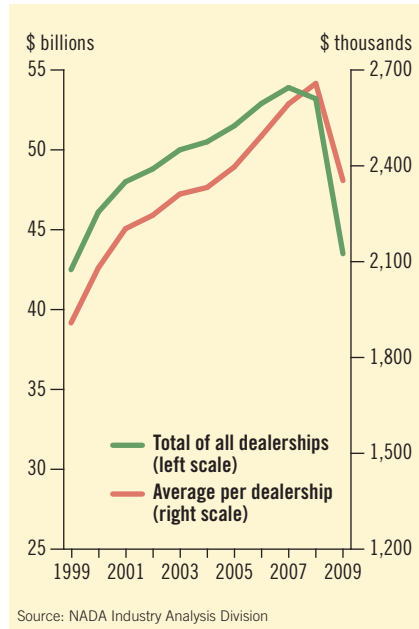


### Estimated number of new-car dealership employees in 2009, by state

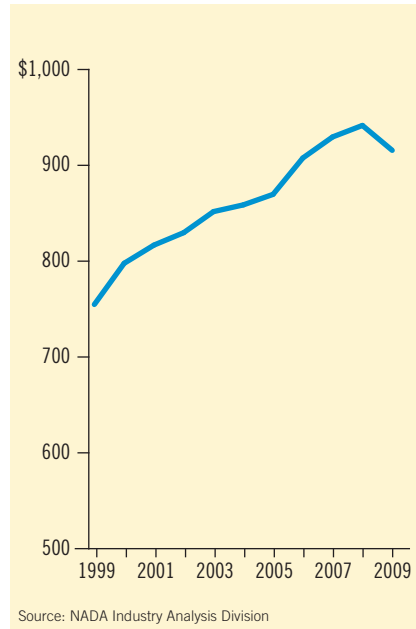
State	Total number all dealers	Average number per dealership	State	Total number all dealers	Average number per dealership
Alabama	12,389	39	Montana	3,522	29
Alaska	1,978	62	Nebraska	6,945	36
Arizona	17,259	74	Nevada	5,893	57
Arkansas	7,664	32	New Hampshire	5,960	40
California	93,153	69	New Jersey	28,862	57
Colorado	13,719	52	New Mexico	5,537	44
Connecticut	12,588	45	New York	48,118	51
Delaware	3,238	56	North Carolina	26,683	44
Florida	56,702	66	North Dakota	3,371	37
Georgia	25,009	47	Ohio	38,276	47
Hawaii	3,750	60	Oklahoma	16,593	58
Idaho	4,089	37	Oregon	10,173	41
Illinois	40,726	49	Pennsylvania	46,202	46
Indiana	19,072	42	Rhode Island	2,964	53
Iowa	12,007	36	South Carolina	11,718	42
Kansas	9,626	40	South Dakota	3,411	31
Kentucky	11,665	42	Tennessee	16,843	45
Louisiana	12,855	42	Texas	71,572	58
Maine	5,567	40	Utah	7,109	51
Maryland	21,656	69	Vermont	2,689	31
Massachusetts	21,632	51	Virginia	27,981	57
Michigan	28,847	42	Washington	17,793	51
Minnesota	14,403	37	West Virginia	5,599	38
Mississippi	6,307	30	Wisconsin	20,771	38
Missouri	20,225	47	Wyoming	1,888	29
<b>Total U.S.</b>		<b>912,600</b>	<b>Total U.S.</b>		<b>49</b>

Source: NADA Industry Analysis Division

## Annual payroll of new-car dealerships



## Average weekly earnings of dealership employees



## 2009 annual payroll of new-car dealerships, by state

State	Total all dealerships (\$ billions)	Average per dealership (\$ millions)
Alabama	\$0.54	\$1.68
Alaska	0.09	2.91
Arizona	0.87	3.74
Arkansas	0.32	1.35
California	4.89	3.60
Colorado	0.69	2.60
Connecticut	0.69	2.47
Delaware	0.15	2.65
Florida	2.78	3.22
Georgia	1.19	2.24
Hawaii	0.20	3.18
Idaho	0.18	1.58
Illinois	1.93	2.34
Indiana	0.79	1.73
Iowa	0.49	1.47
Kansas	0.42	1.72
Kentucky	0.49	1.79
Louisiana	0.59	1.95
Maine	0.24	1.72
Maryland	1.06	3.38
Massachusetts	1.17	2.75
Michigan	1.38	1.99
Minnesota	0.62	1.61
Mississippi	0.27	1.26
Missouri	0.90	2.12
Montana	0.14	1.12
Nebraska	0.29	1.49
Nevada	0.33	3.17
New Hampshire	0.30	2.02
New Jersey	1.67	3.28
New Mexico	0.24	1.91
New York	2.54	2.67
North Carolina	1.18	1.97
North Dakota	0.14	1.50
Ohio	1.60	1.96
Oklahoma	0.74	2.57
Oregon	0.46	1.83
Pennsylvania	1.98	1.98
Rhode Island	0.15	2.63
South Carolina	0.51	1.83
South Dakota	0.14	1.30
Tennessee	0.77	2.09
Texas	3.66	2.95
Utah	0.33	2.34
Vermont	0.12	1.35
Virginia	1.32	2.67
Washington	0.86	2.47
West Virginia	0.20	1.39
Wisconsin	0.78	1.42
Wyoming	0.08	1.27
<b>Total U.S.</b>	<b>\$43.45</b>	<b>\$2.35</b>

Source: NADA Industry Analysis Division

## Average weekly earnings of new-car dealership employees in 2009, by state

Alabama	\$ 836	Montana	\$ 754
Alaska	903	Nebraska	798
Arizona	967	Nevada	1,073
Arkansas	812	New Hampshire	970
California	1,006	New Jersey	1,109
Colorado	965	New Mexico	842
Connecticut	1,049	New York	1,011
Delaware	912	North Carolina	848
Florida	939	North Dakota	779
Georgia	916	Ohio	799
Hawaii	1,008	Oklahoma	851
Idaho	828	Oregon	858
Illinois	911	Pennsylvania	823
Indiana	791	Rhode Island	955
Iowa	787	South Carolina	830
Kansas	833	South Dakota	797
Kentucky	808	Tennessee	882
Louisiana	885	Texas	981
Maine	816	Utah	879
Maryland	943	Vermont	838
Massachusetts	1,037	Virginia	902
Michigan	915	Washington	925
Minnesota	825	West Virginia	702
Mississippi	809	Wisconsin	716
Missouri	856	Wyoming	855
<b>Total U.S.</b>	<b>\$ 916</b>		

Source: NADA Industry Analysis Division

## Vehicles in Operation and Scrappage

AT THE END OF 2009, there were about 239 million light vehicles in operation and 248 million vehicles. In the 10 years before 2009, the total light-vehicle fleet had increased by an average of 2 percent each year. NADA estimates that, in 2009, the median age for cars was 9.4 years and for light trucks, 8.1 years.

Scrappage—the difference between sales and the growth of the vehicle population—was an estimated 14.6 million units in 2009, up by almost 1 million units from 2008. NADA Industry Analysis estimates that the average vehicle on the road, a higher measure than median, was 10.2 years

old in 2009. Low sales as the recession began to recede, even given the additional scrappage involved with

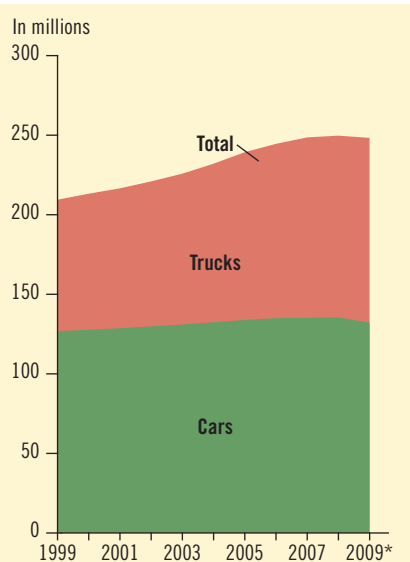
government promotion of new vehicle purchases, boosted the average age of cars and trucks during 2009.

### Vehicles in operation—scrappage, by year

	Total vehicles in use	New vehicle registrations	Scrappage	Scrappage as % of registrations
1999	209,509,161	16,130,124	11,663,602	72.3%
2000	213,299,313	18,088,911	14,298,759	79.0
2001	216,682,936	17,505,343	14,121,720	80.7
2002	221,027,121	17,639,934	13,295,749	75.4
2003	225,882,103	16,939,662	12,084,680	71.3
2004	232,167,136	17,419,471	11,134,438	63.9
2005	239,384,168	17,287,680	10,070,648	58.3
2006	244,642,610	17,332,357	12,073,915	69.7
2007	248,700,997	16,765,603	12,707,216	75.8
2008	249,812,723	15,127,946	14,016,220	92.7
2009*	248,418,026	13,965,371	15,360,068	110.0%

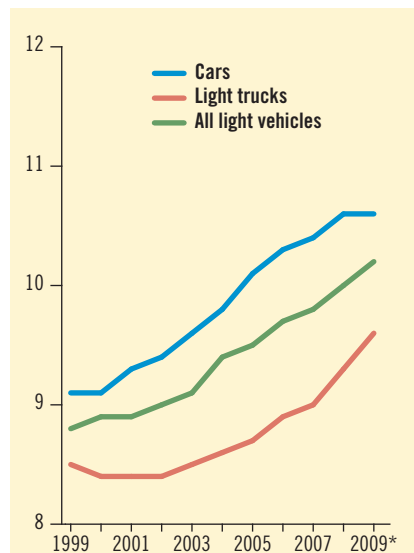
\*Covers 15 months of market activity (7/1/08 – 9/30/09) in order to capture the most recent behavior available. Source: R.L. Polk & Co.

### Total vehicles in operation, by year



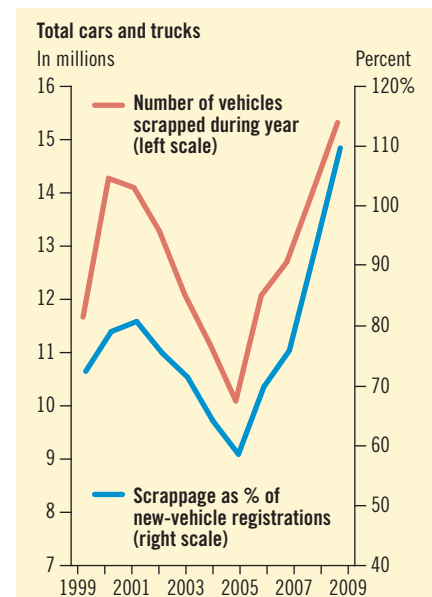
\*Covers 15 months of market activity (7/1/08 – 9/30/09) in order to capture the most recent behavior available. Source: R.L. Polk & Co.

### Average age of passenger cars, trucks, and light trucks, by year



\*Covers 15 months of market activity (7/1/08 – 9/30/09) in order to capture the most recent behavior available. Source: R.L. Polk & Co.

### Estimated vehicle scrappage



Source: R.L. Polk & Co.

## Total light vehicles in operation in 2009, by state

State	Passenger cars	Light Trucks GVW 1-3	Total vehicles	State	Passenger cars	Light Trucks GVW 1-3	Total vehicles
AK	187,473	416,672	604,145	MT	376,935	603,105	980,040
AL	1,969,615	2,269,842	4,239,457	NC	3,812,136	3,982,462	7,794,598
AR	997,315	1,417,967	2,415,282	ND	288,916	389,025	677,941
AZ	2,357,015	2,754,763	5,111,778	NE	766,971	912,888	1,679,859
CA	14,081,157	12,170,425	26,251,582	NH	609,449	594,332	1,203,781
CO	1,909,693	2,409,396	4,319,089	NJ	2,898,051	2,199,546	5,097,597
CT	1,604,991	1,170,941	2,775,932	NM	634,384	836,602	1,470,986
DC	149,274	68,354	217,628	NV	928,430	1,002,045	1,930,475
DE	374,495	323,812	698,307	NY	6,038,909	4,823,626	10,862,535
FL	7,338,630	6,473,618	13,812,248	OH	5,125,217	4,458,105	9,583,322
GA	3,565,199	3,899,660	7,464,859	OK	1,535,573	1,918,081	3,453,654
HI	442,402	503,695	946,097	OR	1,519,973	1,734,577	3,254,550
IA	1,357,897	1,516,542	2,874,439	PA	5,020,747	4,545,726	9,566,473
ID	632,514	902,955	1,535,469	RI	499,702	334,219	833,921
IL	5,224,688	4,558,469	9,783,157	SC	1,904,020	2,069,863	3,973,883
IN	2,566,414	2,711,865	5,278,279	SD	356,159	467,678	823,837
KS	1,163,021	1,371,461	2,534,482	TN	2,322,114	2,618,896	4,941,010
KY	1,702,470	1,926,809	3,629,279	TX	8,735,621	11,026,280	19,761,901
LA	1,498,466	2,101,311	3,599,777	UT	1,027,572	1,138,138	2,165,710
MA	2,695,264	2,059,862	4,755,126	VA	3,647,532	3,401,303	7,048,835
MD	2,571,360	2,095,924	4,667,284	VT	298,288	302,014	600,302
ME	506,028	556,393	1,062,421	WA	2,808,975	2,891,863	5,700,838
MI	3,920,259	4,048,832	7,969,091	WI	2,574,385	2,530,396	5,104,781
MN	2,240,339	2,255,593	4,495,932	WV	637,651	805,876	1,443,527
MO	2,414,205	2,616,881	5,031,086	WY	200,218	392,704	592,922
MS	1,115,394	1,324,911	2,440,305	<b>Total</b>	<b>119,153,506</b>	<b>119,906,303</b>	<b>239,059,809</b>

Source: AutoCount data from Experian Automotive as of December 31, 2009. | www.experianautomotive.com | (888) 853-3307

## Total new-vehicle registrations in 2009, by state

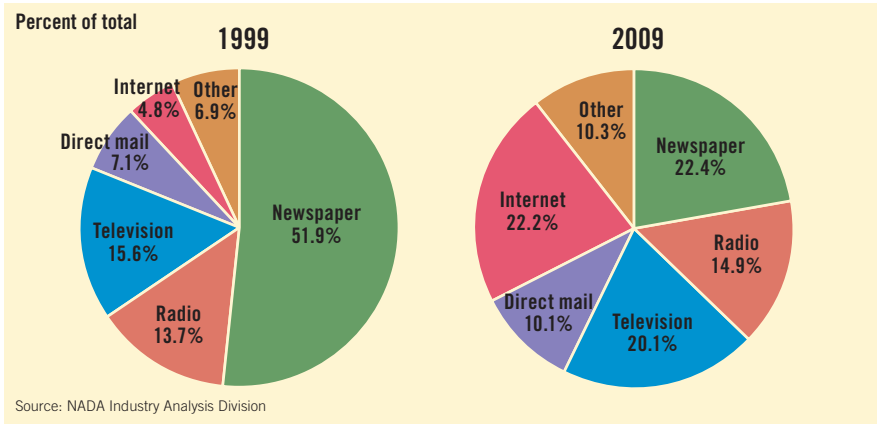
State	2009	2008	2007	2006	State	2009	2008	2007	2006
Alabama	130,316	182,697	223,480	232,666	Montana	33,738	41,300	49,944	46,787
Alaska	23,135	30,890	31,016	32,155	Nebraska	58,551	68,105	75,380	71,679
Arizona	190,311	286,873	377,996	419,204	Nevada	75,559	123,354	177,227	192,413
Arkansas	89,729	113,935	131,402	128,258	New Hampshire	60,548	76,447	84,304	97,145
California	1,035,823	1,401,305	1,871,132	2,086,931	New Jersey	430,278	532,241	611,572	602,437
Colorado	155,825	215,712	255,466	252,000	New Mexico	61,168	87,172	107,505	106,234
Connecticut	126,601	157,375	192,054	189,950	New York	684,528	798,624	870,323	847,727
Delaware	28,449	40,106	49,922	53,379	North Carolina	261,759	345,428	434,165	443,149
D.C.	19,692	16,148	20,995	18,612	North Dakota	22,866	26,343	27,019	25,319
Florida	701,488	950,695	1,241,454	1,416,862	Ohio	397,180	487,357	563,468	563,813
Georgia	265,567	366,012	466,284	499,669	Oklahoma	358,127	322,361	362,883	336,895
Hawaii	58,669	72,335	96,917	107,727	Oregon	89,858	124,860	162,753	170,512
Idaho	31,005	43,939	59,738	63,270	Pennsylvania	477,031	557,525	682,697	661,787
Illinois	457,072	560,424	654,387	663,428	Rhode Island	37,144	43,564	52,974	55,157
Indiana	174,871	226,921	251,149	279,154	South Carolina	120,104	168,687	209,066	210,321
Iowa	94,921	109,005	117,485	118,466	South Dakota	24,499	28,319	32,860	33,374
Kansas	84,456	100,982	113,370	114,433	Tennessee	159,102	227,556	277,901	272,329
Kentucky	105,370	124,430	153,544	152,761	Texas	858,973	1,192,701	1,390,745	1,302,253
Louisiana	160,623	217,459	262,688	286,369	Utah	72,703	98,467	122,332	122,521
Maine	45,253	51,019	52,872	57,946	Vermont	28,148	33,260	37,936	38,287
Maryland	240,834	284,436	360,195	376,039	Virginia	280,333	337,651	427,456	445,841
Massachusetts	249,513	289,280	332,090	344,490	Washington	166,976	225,226	285,385	291,249
Michigan	415,951	570,907	646,485	693,741	West Virginia	57,512	71,318	80,352	80,963
Minnesota	152,559	220,239	259,924	268,358	Wisconsin	165,241	199,855	232,224	242,574
Mississippi	67,895	93,700	116,226	132,168	Wyoming	18,961	26,057	30,138	29,059
Missouri	201,868	238,975	280,499	286,714	<b>Total U.S.</b>	<b>10,308,683</b>	<b>13,209,577</b>	<b>16,007,379</b>	<b>16,564,575</b>

Source: R.L. Polk & Co.

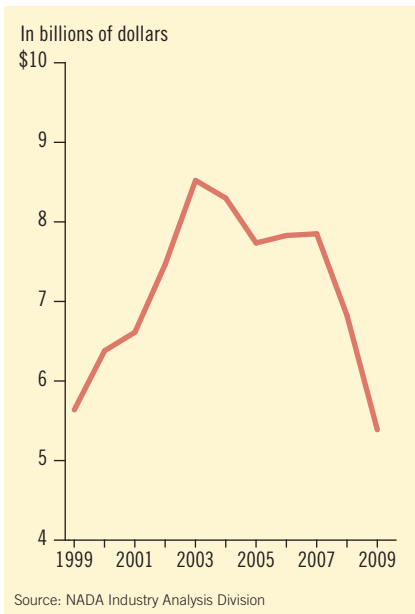
## Advertising and the Dealership

FRANCHISED DEALERS SPENT more than \$5.4 billion on advertising in 2009. Dealership ad expenses fell by 14.4 percent. In the past 10 years, the amount of a dealership's ad budget allocated to newspapers dropped by 30 percentage points, though many newspapers provide linked Internet advertising. Radio increased by 1 percentage point and TV by more than 4 percentage points. Dealers now spend more than 22 percent of advertising dollars on the Web, up from 4.8 percent in 1999 and 9.9 percent in 2005.

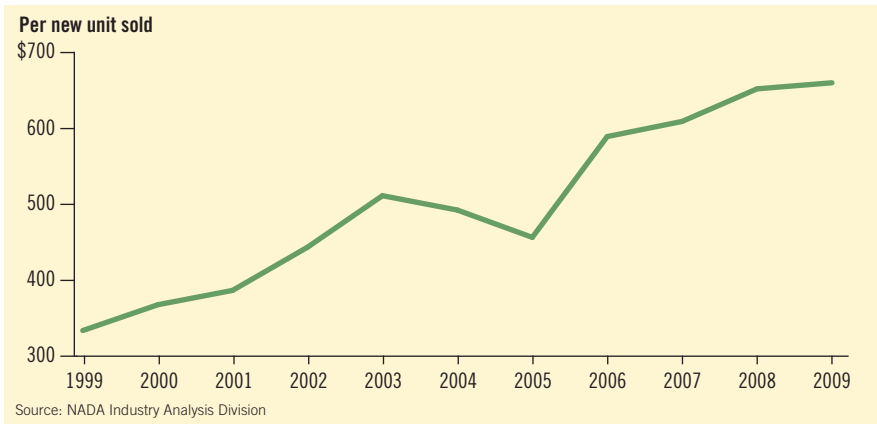
### Advertising expenditures, by medium



### Total dealership advertising expenditures



### Total dealership advertising



### Estimated advertising expenses per dealership in 2009

By media used	By number of new units sold				
	Average of all dealerships	1-149	150-399	400-749	750 or more
Newspapers	\$65,473	\$23,753	\$36,410	\$72,865	\$146,923
Radio	43,443	14,292	30,025	41,203	97,060
TV	58,628	12,294	32,961	91,021	174,660
Direct mail	29,483	7,375	16,251	43,721	87,360
Internet	64,915	22,914	36,444	87,849	131,612
Other	30,068	9,122	18,957	39,917	63,444
<b>Total</b>	<b>\$292,010</b>	<b>\$89,749</b>	<b>\$171,048</b>	<b>\$376,576</b>	<b>\$701,061</b>
Total advertising as a % of total sales	1.11%	1.13%	1.10%	1.13%	1.03%
Total advertising per new vehicle sold	\$661	\$842	\$638	\$544	\$426

Source: NADA Industry Analysis Division

## Consumer Credit

AVERAGE NEW-VEHICLE loan rates at finance companies averaged 3.82 percent during 2009, a rate last seen during 2003. Bank rates averaged 6.72 percent in 2009, down from 7.02 percent in 2008. The average prime rate was 3.3 percent, a 30-year low.

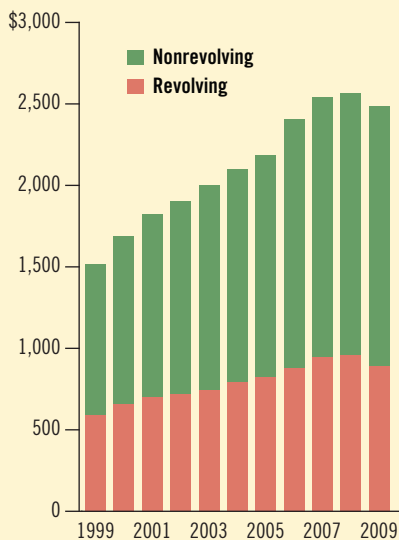
### Average maturity of new-car loans at finance companies

2002	56.9 months
2003	61.4
2004	60.5
2005	60.0
2006	62.3
2007	61.0
2008	63.4
2009	62.0

Source: Federal Reserve Board

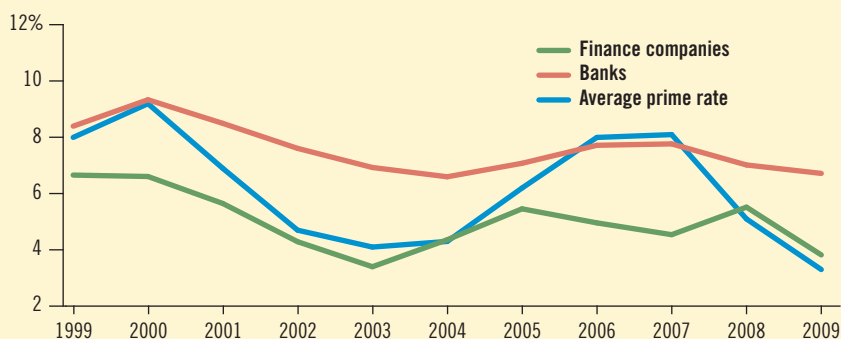
### Consumer credit outstanding

End of year, seasonally adjusted  
In millions of dollars



Source: Federal Reserve Board

### Average finance rate on new-car loans



Note: The bank series represents the average of direct 48 month loans. The finance company series represents the average of all loans made.

Source: Federal Reserve Board

### New-vehicle affordability measure

	Avg. finance rate	Avg. length loan	Avg. consumer expenditure*	Median family income	Avg. weeks of median family income to buy car*
2004Q1	3.73%	59.56 months	\$22,508	\$53,543	24.4
2004Q2	4.50	60.62	22,909	53,888	25.1
2004Q3	6.03	61.13	23,110	54,234	25.8
2004Q4	5.40	61.48	23,373	54,579	25.7
2005Q1	5.29	59.46	23,558	55,394	25.3
2005Q2	5.59	59.19	23,836	55,927	25.4
2005Q3	6.31	60.41	24,312	56,461	26.2
2005Q4	6.91	61.12	24,956	56,994	27.0
2006Q1	6.09	61.90	24,649	57,577	26.0
2006Q2	5.63	61.82	24,673	58,130	25.6
2006Q3	3.03	65.41	24,833	58,684	24.2
2006Q4	5.23	62.97	25,559	59,237	26.0
2007Q1	4.98	61.27	25,106	60,250	24.9
2007Q2	5.08	61.70	25,133	60,987	24.7
2007Q3	4.85	62.13	25,665	61,724	24.8
2007Q4	4.55	62.93	25,239	62,461	24.1
2008Q1	4.85	62.60	23,112	61,459	22.7
2008Q2	5.28	63.50	22,801	61,500	22.5
2008Q3	4.87	65.40	23,410	61,542	22.9
2008Q4	7.09	62.30	22,855	61,583	23.4
2009Q1	4.71	59.30	22,811	60,427	22.3
2009Q2	3.45	62.13	23,587	60,697	22.5
2009Q3	3.66	62.70	22,714	60,434	21.9
2009Q4	3.47	63.90	23,988	60,689	23.1
2010Q1	4.31	62.93	24,120	61,028	23.4

\*With possible rebate

Sources: Comerica Bank; Commerce Department; Federal Reserve

## New-Truck Dealerships

SALES OF MEDIUM- and heavy-duty trucks (Classes 4-8), according to Ward's Automotive, dropped from 298,424 units in 2008 to 199,686 in 2009, a 33.1 percent decline. Market shares changed somewhat in medium-duty sales last year, as Hino gained sales volume and share in Class 4. In Class 6, Isuzu and Nissan Diesel gained sales volume and market share.

Class 8 sales dropped 29 percent in 2009, and no manufacturer had a sales volume increase. Freightliner (27.3 percent share) and International (28 percent share) gained relative market share in this difficult sales year by keeping sales declines below 24 percent. Kenworth kept the sales drop to 26.5 percent to move up to a 12.3 percent share of Class 8 sales from 11.9 percent last year. Inventory rebuilding in U.S. retailing, as the U.S. economy rebounds, should assist Class 8 sales somewhat during 2010.

### Truck categories

Trucks are classified by gross vehicle weight

Class 1	0 – 6,000 lb.
Class 2	6,001 – 10,000
Class 3	10,001 – 14,000
Class 4	14,001 – 16,000
Class 5	16,001 – 19,500
Class 6	19,501 – 26,000
Class 7	26,001 – 33,000
Class 8	33,001 lb. and over

### Number of medium- and heavy-duty truck dealerships



### U.S. retail sales and market share—calendar year 2009

Truck classes 4-8							Percent of market
Class	4	5	6	7	8	Total	
International	480	840	10,050	14,867	26,581	52,818	26.5%
Freightliner	1,895	249	4,310	11,764	25,884	44,102	22.1
Ford	10,025	10,556	3,093	2,928	0	26,602	13.3
Peterbilt	0	65	120	2,654	12,277	15,116	7.6
Kenworth	0	80	554	2,379	11,652	14,665	7.3
Mack	0	0	0	0	7,626	7,626	3.8
Volvo Truck	0	0	0	0	7,066	7,066	3.5
GMC	1,642	2,506	353	1,941	0	6,442	3.2
Sterling	849	809	427	756	2,984	5,825	2.9
Chevrolet	2,189	2,670	264	690	0	5,813	2.9
Dodge	0	4,202	0	0	0	4,202	2.1
Isuzu	2,039	1,128	219	144	0	3,530	1.8
Hino	58	236	1,974	712	0	2,980	1.5
Mitsubishi Fuso	591	385	265	42	0	1,283	0.6
Nissan Diesel	90	216	372	210	0	888	0.4
Western Star	0	0	0	0	708	708	0.4
Other	0	0	0	0	20	20	0.0
<b>Total</b>	<b>19,858</b>	<b>23,942</b>	<b>22,001</b>	<b>39,087</b>	<b>94,798</b>	<b>199,686</b>	<b>100.0%</b>

Source: © 2010 Ward's Communications

## Dealership Financial Trends

RECESSIONS USUALLY CAUSE negative net profits in the new-vehicle department. After the average dealership's new-vehicle profits increased from 2001 through 2004, 2005 brought the start of a significant decline in new-vehicle profitability. From 2006 through 2009, the new-vehicle department posted increasing net yearly losses, prompting lower new-vehicle inventories and advertising spending to control costs. Lower floor-plan costs, resulting from Federal Reserve policy, and relatively modest energy costs assisted dealership new-vehicle sales in 2009.

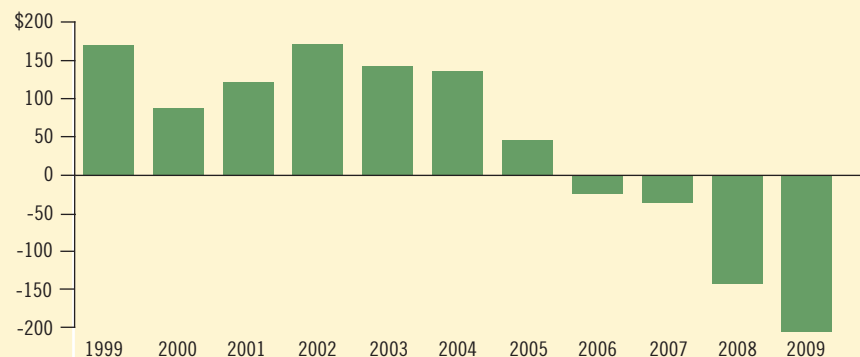
Used-car sales, typically profitable on a net basis, sprang back to net profitability in 2009, after a small net loss in used-car profits in 2008 caused by volatile gasoline prices.

Total service and parts profits moderated as service and parts revenue per-dealer rose by 1.9 percent in 2009. Service and parts gross margins improved slightly, but departmental expenses increased as a portion of departmental sales.

Total typical dealership revenue fell 7.5 percent in 2009, while the net number of dealership closings surpassed 1,500 during the year. The return of future dealership profits in new vehicles remains dependent on growth of revenue in new- and used-vehicle sales. Dealers continue to compete with a large segment of independent service outlets to service older vehicles. Per-dealer service and parts sales grew by a modest 1.9 percent in 2009 as the number of new-car dealerships decreased during the year.

### New-vehicle department net profit

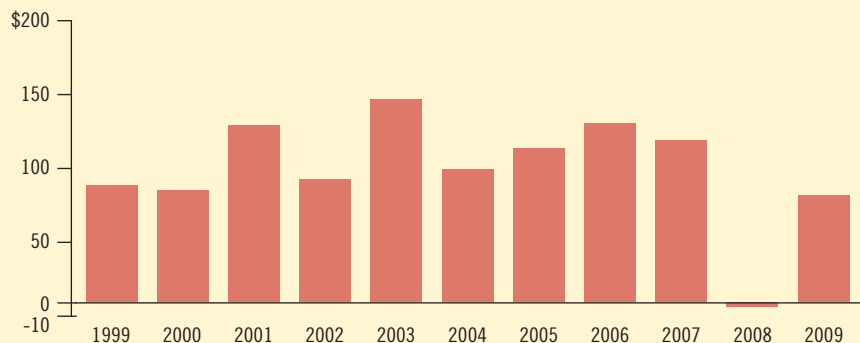
Average dealership, in thousands of dollars, including F&I



Source: NADA Industry Analysis Division

### Used-vehicle department net profit

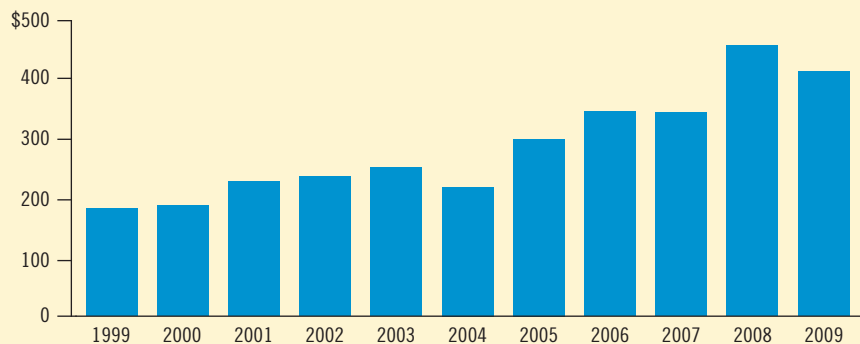
Average dealership, in thousands of dollars, including F&I



Source: NADA Industry Analysis Division

### Service and parts department net profit

Average dealership, in thousands of dollars



Source: NADA Industry Analysis Division