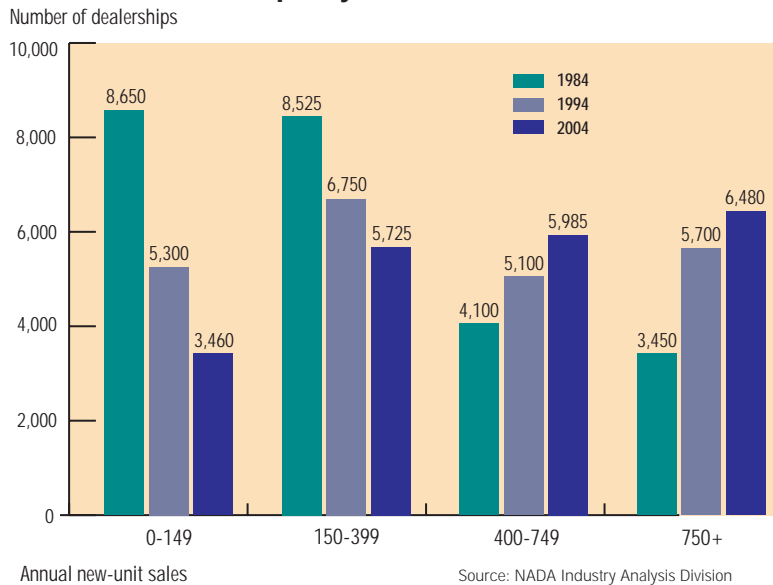


MODERATE CONSOLIDATION in the number of franchised dealerships continued in 2003. Acquisitions by large dealer groups, manufacturers' efforts to reduce or freeze the number of dealership points, Oldsmobile buyouts, and lagging local economies in some areas were responsible for much of last year's decline in the number of new-car dealerships. The net dealership count fell by 75 last year. Still, it was better than 2001's falloff of 350. (In the recession of 1990-92, net dealership decline averaged 600 per year.)

The bar graph at right shows how over the past 20 years the loss of dealerships has been concentrated in the smaller-volume categories. In 1984 there were 8,650 dealerships with sales levels of less than 150 new vehicles per year. Today, there are only 3,460 such stores. In contrast, 6,480 dealerships now sell more than 750 new units per year; in 1983 only 3,450 stores of that size existed.

Number of dealerships, by volume of new-unit sales



New-car dealerships

As of January 1	
1983	24,725
1984	24,725
1985	24,725
1986	24,825
1987	25,150
1988	25,025
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

Source: NADA Industry Analysis Division

New-car dealerships, by state

As of January 1	
Alabama	355
Alaska	44
Arizona	238
Arkansas	278
California	1,670
Colorado	273
Connecticut	337
Delaware	64
D.C.	3
Florida	949
Georgia	619
Hawaii	67
Idaho	122
Illinois	1,027
Indiana	560
Iowa	405
Kansas	282
Kentucky	320
Louisiana	343
Maine	154
Maryland	382
Massachusetts	532
Michigan	791
Minnesota	473
Mississippi	247
Missouri	512
Montana	134
Nebraska	224
Nevada	112
New Hampshire	176
New Jersey	624
New Mexico	134
New York	1,224
North Carolina	698
North Dakota	106
Ohio	990
Oklahoma	304
Oregon	277
Pennsylvania	1,227
Rhode Island	70
South Carolina	317
South Dakota	125
Tennessee	434
Texas	1,360
Utah	149
Vermont	97
Virginia	549
Washington	386
West Virginia	186
Wisconsin	628
Wyoming	72
Total U.S.	21,650

Source: NADA Industry Analysis Division