

Automotive Retail:
**NATIONAL & REGIONAL TRENDS IN
COMPENSATION, BENEFITS & RETENTION**



HOURS OF
OPERATION



BENEFITS



COMPENSATION



RETENTION
& TURNOVER



WORK
SCHEDULES



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III. 2015 EXECUTIVE SUMMARY

Automotive Retail: National & Regional Trends in Compensation, Benefits & Retention is the annual talent management profile of new-car and -truck dealerships. The 2015 Report continues to show a growth industry with earnings opportunity in an improving work environment. While gross margins declined and net profit was unchanged, America's new-car dealerships created new jobs, paid well-above-average wages and provided weekly earnings growth that kept pace with or exceeded U.S. private-sector income growth. Most of the income growth was made possible by continued improvements in dealership employee productivity.

Although new-car dealership employee turnover—total terminations—increased in 2014, total turnover was still lower than the U.S. private-sector average. Only one key position—sales consultant—exceeded the U.S. private-sector industry average of 44 percent. All other key positions were below U.S. averages. Turnover is lower than the U.S. private-sector average due in great part to the overall attractiveness of retail automotive as a career choice.

Key Workforce Trends in Car Dealerships

This year's Report highlights key industry trends related to compensation, benefits, demographics and workforce management. Both same-store and all-participant comparisons are made in this section. The same-stores analysis, which presents results for those stores that participated in this Study in both 2014 and 2015—60 percent of all participants—is always identified as such, and applies only to compensation analysis. Turnover, retention and tenure analyses always consider results for all participants.

- Compared to last year's Study, 2014 average weekly earnings across all job titles in all participating dealerships increased 5.0 percent to \$1,322. On a same-stores basis, average weekly earnings increased 3.4 percent to \$1,329.
- Productivity—measured as monthly gross profit per employee—also increased 3.4 percent to \$8,410 per employee in 2014¹. Dealership employee average income growth continues to track with estimated increases in dealership employee productivity.
- 2014 median weekly earnings for all dealership employees increased 5.1 percent to \$1,026. On a same-stores basis, median weekly earnings increased 4.1 percent to \$1,038. On average, employees in new-car dealerships earned nearly 29 percent more than the 2014 fourth-quarter median weekly earnings of \$796 for the U.S. private sector workforce.²
- In non-luxury franchise dealerships, median income growth in key fixed operations positions increased 6.2 percent on a same-stores basis compared to only 1.8 percent in key sales positions.

¹ Calculated from "Average Dealership Profile," NADA Data 2014.

² U.S. Bureau of Labor Statistics—based on seasonally adjusted, fourth quarter average of median weekly earnings for full-time wage and salary workers.



IV. GENERAL FINDINGS AND CONCLUSIONS

Car and Light-Truck Dealerships

Size of Participating Dealerships

Total new-car dealership employment increased 4.7 percent in 2014 to an average dealership head count of 64 employees⁷. Employee head count in new-car dealerships that participated in both the 2014 and 2015 Dealership Workforce Studies (same stores) increased 4.4 percent to an average of 83 active employees. The average head count for all new-car dealerships in the 2015 Study increased to 78 active employees.

Larger dealerships in highly competitive markets find the information in the Study to be extremely valuable in their quest to attract and retain talent while managing total payroll costs. As a result, our Study continues to attract larger dealerships and dealer groups. To keep the data relevant for smaller dealers, we are reporting workforce statistics broken down by annual new-car unit sales.

Compensation Trends

Although overall compensation comparisons are always provided, all compensation *trends* in this section are based on a same-stores analysis, as 60 percent of 2015 Study participants also participated in 2014.

On a same-stores basis, the 2014 average weekly earnings across all dealership positions in the Study was \$1,329, an increase of 3.4 percent compared to last year's Study. The average weekly earnings for all dealerships participating in this year's Study was \$1,322, an increase of 5.0 percent compared to last year's Study. By comparison, average U.S. net earnings grew 4.0 percent in 2014, up from 1.8 percent in 2013.⁸

On a same-stores basis, the 2014 median weekly earnings across all dealership positions in the Study was \$1,038, an increase of 4.1 percent compared to last year's Study. The median weekly earnings for all dealerships participating in this year's Study was \$1,026, an increase of 5.1 percent compared to last year's Study. Median weekly income for new-car dealership employees was nearly 29 percent more than the 2014 fourth-quarter median weekly earnings of \$796 for the U.S. private sector workforce.⁹

Sales consultant average compensation increased 3.3 percent while the average compensation of sales managers and F&I managers increased only 1.4 percent and 1.1 percent respectively.

In fixed operations, the average weekly earnings for service advisors and service technicians increased 4.7 and 4.8 percent respectively. Parts consultants had the highest earnings increase at 6.9 percent, and parts managers' earnings increased 4.3 percent.

⁷ NADA Data 2014

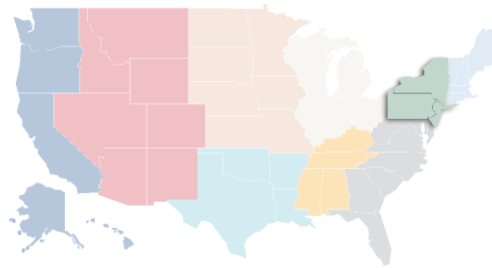
⁸ U.S. Department of Commerce – Bureau of Economic Analysis

⁹ U.S. Bureau of Labor Statistics—based on seasonally adjusted, fourth quarter average of median weekly earnings for full-time wage and salary workers.



REGION 2
Mid-Atlantic

2



Regional compensation statistics of interest:

- Average compensation across all-dealerships in the Mid-Atlantic region increased 3.7 percent, which is very near the national earnings growth rate of 4.0 percent (Figure 1).
- The Mid-Atlantic all-positions average of \$64,872 was 5.6 percent below the national all-positions average of \$68,744. This region's all-position average was the lowest of all nine regions.
- Only one key position, service technician in non-luxury dealerships, had an average salary higher than the national average (Figure 2).
- The steepest salary decline among the nine key positions was observed among F&I managers and sales managers at luxury dealerships (Figure 3).

REGION 2: MID-ATLANTIC – CARS – ALL DEALERSHIPS (FIGURE 1)

Position	Overall Region Average	Year Over Year Change	Average as % of National	Low Volume	Medium Volume	High Volume	National All-Dealer Average
All Positions	\$64,872	↑ 3.7%	94.4%	\$60,653	\$62,219	\$69,283	\$68,744
General Manager/Operator	\$229,764	↑ 10.3%	68.8%	\$179,885	\$217,118	\$294,488	\$333,822
Sales Manager	\$119,066	↓ -2.6%	93.1%	\$107,062	\$112,784	\$129,470	\$127,863
F&I Manager	\$99,007	↓ -5.7%	75.9%	\$85,880	\$93,517	\$109,577	\$130,508
Service Manager	\$94,797	↓ -2.4%	82.3%	\$83,846	\$93,226	\$107,906	\$115,239
Parts Manager	\$76,899	↑ 3.3%	79.4%	\$66,602	\$74,390	\$88,854	\$96,911
Sales Consultant	\$63,984	↓ -0.9%	94.8%	\$65,191	\$56,984	\$68,279	\$67,511
Service Advisor/Writer	\$57,449	↑ 0.1%	87.2%	\$52,454	\$52,680	\$63,261	\$65,876
Service Technician	\$57,613	↑ 6.0%	98.7%	\$51,704	\$53,527	\$62,219	\$58,368
Parts Consultant	\$44,316	↑ 0.6%	88.1%	\$41,304	\$41,852	\$47,966	\$50,278



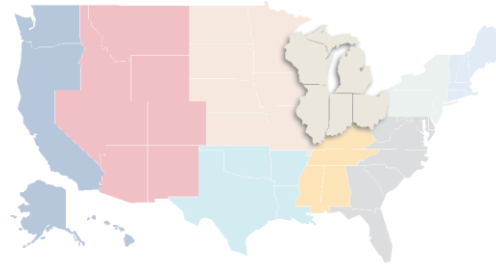
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REGION 2: MID-ATLANTIC – CARS – ALL POSITION AVERAGES

Position	Overall Region Average	Year Over Year Change	Average as % of National	National All-Dealer Average
MANAGEMENT POSITIONS				
Dealer Principal/Owner	\$404,620	↑ 49.9%	118.9%	\$340,247
Dealer Operator/Gen Manager	\$229,764	↑ 10.3%	68.8%	\$333,822
Controller/Business Manager	\$117,312	↓ -6.7%	93.8%	\$125,059
General Sales Manager	\$145,679	↓ -4.1%	83.2%	\$175,077
Fixed Operations Director	\$151,225	↓ -24.9%	89.5%	\$168,936
Executive Assistant	\$53,164	↑ 13.8%	94.9%	\$56,010
ADMINISTRATIVE POSITIONS				
Admin/Office Manager	\$57,833	↑ 1.8%	91.3%	\$63,378
Accountant/Accting. Manager	\$68,091	↑ 12.5%	114.1%	\$59,703
Human Resources Manager	\$68,563	↑ 10.8%	101.4%	\$67,620
Payroll Manager	\$41,827	↓ -3.2%	90.8%	\$46,085
Clerical Staff: AP/AR/Title	\$36,076	↑ 0.6%	99.0%	\$36,436
Cashier	\$28,689	↑ 8.8%	105.8%	\$27,106
Receptionist/Switchboard	\$31,293	↑ 8.3%	114.8%	\$27,247
SALES POSITIONS				
Sales Manager	\$119,066	↓ -2.6%	93.1%	\$127,863
Sales Consultant	\$63,984	↓ -0.9%	94.8%	\$67,511
F&I Manager	\$99,007	↓ -5.7%	75.9%	\$130,508
Used/CPO Sales Manager	\$105,599	↓ -5.8%	83.2%	\$126,860
Internet Sales/BDC Manager	\$72,130	↓ -3.8%	82.7%	\$87,256
BDC Reps/CSRs/Schedulers	\$39,378	↑ 13.7%	100.0%	\$39,374
U/C Reconditioning Tech	\$36,536	↑ 16.7%	88.6%	\$41,217
Advertising/Marketing Manager	\$50,578	↓ -21.0%	84.6%	\$59,756
SERVICE POSITIONS				
Service Manager	\$94,797	↓ -2.4%	82.3%	\$115,239
Shop Foreman/Asst. Manager	\$85,839	↑ 5.9%	97.9%	\$87,658
Service Advisor/Writer	\$57,449	↑ 0.1%	87.2%	\$65,876
A-Tech/Master/Team Leader	\$66,632	↑ 2.5%	99.2%	\$67,142
B-Technician	\$57,613	↑ 6.0%	98.7%	\$58,368
C-Tech/Apprentice/Trainee	\$33,905	↓ -14.5%	92.8%	\$36,548
D-Tech/Hourly Lube Tech	\$30,354	↓ -2.3%	101.3%	\$29,952
Warranty Administrator	\$41,733	↓ -0.1%	90.6%	\$46,041
Detail/PDI/Prep Manager	\$51,621	↑ 23.5%	107.5%	\$48,018
Porter/Lot Person/Detailer	\$30,589	↓ -1.7%	100.9%	\$30,311
Courtesy Shuttle Driver	\$25,559	↑ 5.2%	103.2%	\$24,760
PARTS POSITIONS				

REGION 3 East North Central



Regional retention and turnover statistics of interest:

- Turnover for all positions in all dealerships in the East North Central region was nearly eight points below the national level of 39 percent at 31.1 percent and unchanged since last year (Figure 1).
- All key positions in the region’s all-dealership statistics had turnover rates below the national private-sector average turnover rate of 44 percent (Figure 1).
- Service technician was the only key position in non-luxury dealerships with a year-over-year turnover increase (Figure 2).
- Three year retention rates for eight of nine key positions in luxury dealerships were above the industry norm of 51.1 percent (Figure 3).
- Three year retention rates for sales consultants in luxury dealerships were 47 percent compared to a national luxury average of 41 percent (Figure 3).

REGION 3: EAST NORTH CENTRAL – CARS – ALL DEALERSHIPS (FIGURE 1)					
Position	Annualized Turnover	Year Over Year Change	One Year Retention	Three Year Retention	Median Tenure
All Positions	31.1%	0.0%	75.1%	52.9%	3.4
General Manager/Operator	7.1%	↓ -5.1%	97.6%	87.1%	12.2
Sales Manager	21.0%	↓ -0.3%	86.9%	70.1%	6.6
F&I Manager	24.6%	↓ -4.5%	85.5%	59.0%	3.8
Service Manager	16.1%	↓ -3.5%	89.3%	76.8%	9.8
Parts Manager	7.6%	↓ -3.6%	94.6%	82.6%	13.3
Sales Consultant	43.2%	↓ -5.5%	71.7%	44.5%	2.4
Service Advisor/Writer	32.9%	↓ -1.4%	75.8%	51.8%	3.2
Service Technician	19.1%	↑ 0.7%	84.3%	66.5%	5.7
Parts Consultant	15.8%	↓ -2.8%	85.6%	68.5%	5.7

(↓) Represent year-over-year decreases or *favorable* changes; (↑) represent unfavorable changes

VIII. DEALERSHIP EMPLOYEE BENEFITS: CARS

Health Insurance Offered to Employees Plus Family
(% of dealerships)



Average Health Insurance Waiting Period
(months)

