



RETAIL AUTOMOTIVE
ECONOMIC
IMPACT REPORT

FISCAL YEAR 2021



[MORE]

It's a word we say often around the Association office.

We know you are *more* than auto dealers. We know you give *more* to the betterment of your communities than most realize; and we know you employ *more* people and contribute *more* to the local economy than most recognize.

Hence, here is an updated version of our Economic Impact Report so those who need to learn more, can easily do so.

Data from 2021, which is included in this report, found dealerships within the five-county region of Philadelphia employee directly and indirectly more than **31,000 individuals**. Further, the average area dealership paid more than **\$7,100,000** to its employees. Including both direct and indirect sources, the new vehicle retailing industry resulted in more than **\$2.4 billion** of total compensation to area residents. And...there's more. In 2021, new franchised automotive dealerships in the Greater Philadelphia area collected or paid nearly **\$900,000,000** in state and local taxes, an average of **\$4,109,000** per dealership!

That is just a sample of the valuable and important information in this piece. We encourage you to share it with local public officials, the media and your customers.

Many thanks to all who participated in the survey so we could produce it.

Enjoy,

Kevin Mazzucola

Executive Director

Auto Dealers Association of Greater Philadelphia



Background & Methodology

Dealership financial data (and other information cited in the report) was collected from a detailed survey sent to all new vehicle automotive retailers in the Greater Philadelphia Area. Economic impact is separated into two main categories: direct and indirect. Direct impact comprises economic activity at automotive dealerships themselves, such as dealership employment and compensation to employees. Indirect impact occurs away from the dealership, and takes into account the extended contribution dealerships and their employees make to the Area's economy.

The indirect economic impact of automotive retailers was estimated by Auto Outlook, Inc. Estimates were based on previous impact studies that relied upon regional input-output economic models. Indirect economic estimates in this report are intentionally conservative, and therefore, may underestimate the overall contribution automotive retailers make to the Area's economy. Auto Outlook, Inc. is a regional automotive market analysis firm providing market research services to automotive dealers. Jeffrey Foltz, the President of Auto Outlook, Inc., obtained a Masters Degree in Economics from the University of Delaware, and has conducted many research projects analyzing state and regional economies.

QUICK FACTS: Philadelphia-Area Auto Retailing

200,500 units

Total new retail light vehicle sales

\$18.1 billion

Total area gross sales

360,500 units

Total new and used retail light vehicle sales

\$82.5 million

Average dealership total sales

1,646 units

Average dealership new and used vehicle sales

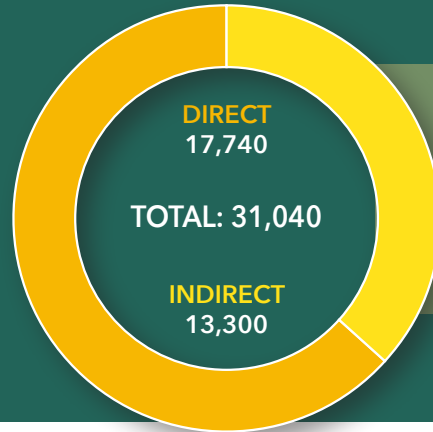
22,100

Number of vehicles serviced by dealership

Dealership Trends: EMPLOYMENT

[EMPLOYMENT TOTALS FOR NEW VEHICLE RETAILING INDUSTRY]

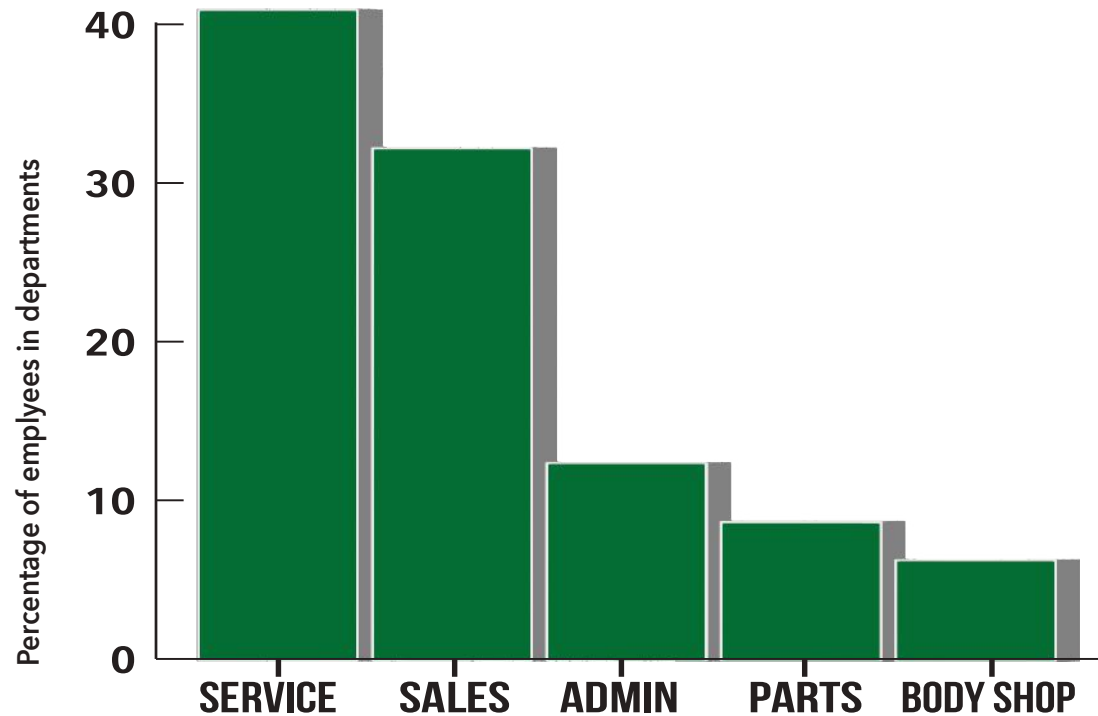
In 2021, area new vehicle dealerships employed a total of 17,740 individuals. An additional 13,300 individuals were employed due to the indirect economic impact of dealership operations. Automobile dealership operations accounted for 18.3% of total retail employment in the Area during 2021. (This includes both direct and indirect employment.)



Dealership Contribution to Total Employment in Area

Total employment resulting from auto dealerships	31,040
Total retail employment	169,528
Dealership percentage of area employment	18.3%

81
The average number of people an area dealership employs, with 40.8% in the service department



Employee Revenue: **PAYROLL & TAXES**

[EMPLOYEE COMPENSATION DUE TO NEW VEHICLE RETAILING INDUSTRY]

2021 Estimates	Direct	Indirect	TOTAL	2021 Estimates	Per Dealer
Payroll	\$1,414,740,000	\$749,812,200	\$2,164,552,200	Payroll	\$6,460,000
Fringe Benefits	\$157,680,000	\$83,570,400	\$241,250,400	Fringe Benefits	\$720,000
TOTAL	\$1,572,420,000	\$833,382,600	\$2,405,802,600	TOTAL	\$7,180,000

In 2021, the average area dealership paid more than \$7,100,000 to its employees. Including both direct and indirect sources, the new vehicle retailing industry resulted in over \$2.4 billion of total compensation to Area residents!

[TAX REVENUE GENERATION]

\$900M

Total State and Local taxes collected or paid

Tax Category	Average Per Dealer	Total
State Sales Taxes Collected	\$3,475,000	\$761,025,000
State and Local Payroll Taxes	\$321,000	\$70,299,000
Real Estate Taxes	\$151,000	\$33,069,000
Other State and Local Taxes	\$162,000	\$35,478,000
Area Total	\$4,109,000	\$899,871,000

Federal Payroll Taxes	\$1,760,000	\$385,440,000
Federal Business Income Taxes	\$151,000	\$33,069,000

In 2021, new franchised automotive dealerships in the Greater Philadelphia area collected or paid nearly \$900,000,000 in State and Local taxes, an average of \$4,109,000 per dealership.

County Economic Impacts: COUNTY AND DEALER DATA

[Retail New Vehicle Sales (units) & Total Dealership Sales (\$)]

County	Number of dealerships	Retail New Vehicle Sales (units)			Total Dealership Sales (thousands of \$)		
		Per Dealer	Total	% of area total	Per Dealer	Total	% of area total
Bucks	56	878	49,160	24.5%	\$81,600	\$4,569,400	25.3%
Chester	45	746	33,570	16.7%	\$61,700	\$2,776,400	15.4%
Delaware	29	992	28,770	14.3%	\$88,200	\$2,557,700	14.2%
Montgomery	71	998	70,830	35.3%	\$90,600	\$6,432,500	35.6%
Philadelphia	18	1,010	18,170	9.1%	\$96,200	\$1,731,500	9.6%

[Employment & Employee Earnings]

County	Number of dealerships	Dealership Employment			Employee Earnings (thousands of \$)		
		Per dealer	Total	% of area total	Per dealer	Total	% of area total
Bucks	56	85	4,755	26.8%	\$6,538	\$366,128	25.9%
Chester	45	67	3,016	17.0%	\$4,897	\$220,365	15.6%
Delaware	29	83	2,395	13.5%	\$7,153	\$207,437	14.7%
Montgomery	71	85	6,031	34.0%	\$6,911	\$490,681	34.7%
Philadelphia	18	86	1,543	8.7%	\$7,229	\$130,129	9.2%

[Taxes on Employee Earnings]

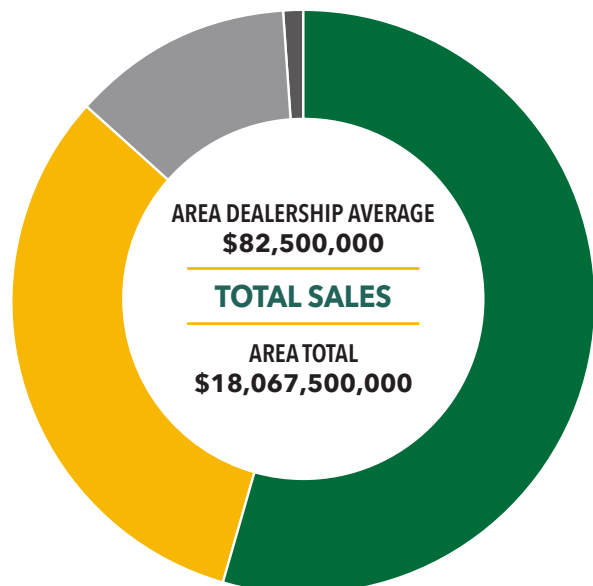
County	Number of dealerships	Federal Payroll Taxes (thousands of \$)			State and Local Payroll Taxes (thousands of \$)		
		Per Dealer	Total	% of area total	Per Dealer	Total	% of area total
Bucks	56	\$1,782	\$99,792	25.9%	\$301	\$16,856	24.0%
Chester	45	\$1,337	\$60,165	15.6%	\$238	\$10,710	15.2%
Delaware	29	\$1,948	\$56,492	14.7%	\$335	\$9,715	13.8%
Montgomery	71	\$1,881	\$133,551	34.7%	\$319	\$22,649	32.2%
Philadelphia	18	\$1,968	\$35,424	9.2%	\$576	\$10,368	14.7%

6,031

An estimated 6,031 individuals were employed by Montgomery County automobile dealerships during 2021, 34% of the area total.

DEALERSHIP SALES [BY DEPARTMENT - 2021]

Total sales for franchised new vehicle dealerships in the area during 2021 exceeded \$18 billion. Average dealership sales were \$82.5 million, with \$45.02 million resulting from new vehicle sales.



	AVERAGE DEALERSHIP	TOTAL
New Vehicle	\$45,020,000	\$9,859,380,000
Used Vehicle	\$26,480,000	\$5,799,120,000
Service and Parts	\$10,150,000	\$2,222,850,000
Other	\$850,000	\$186,150,000

\$18B

Total area industry sales

Executive Summary: PRIMARY CONCLUSIONS

Greater Philadelphia Automobile Dealers: Vital Contributors to the Area Economy

Total Gross Sales	\$18,067,500,000
Total New Retail Light Vehicle Sales	200,500 units
Total Used Retail Light Vehicle Sales	160,000 units
Total New and Used Retail Light Vehicle Sales	360,500 units
Average Dealership New Retail Light Vehicle Sales	916 units
Average Dealership Used Retail Light Vehicle Sales	730 units
Average Dealership New and Used Retail Light Vehicle Sales	1,646 units
Average Number of Vehicles Serviced per Dealership	22,100
Average Number of Jobs per New Vehicle Dealership	81
Total Jobs in Area Dealerships	17,740
Total Jobs in Area Attributable to Automotive Retailing	31,040
Total Earnings for Area Residents Attributable to Dealership Operations	\$2.4 billion
Average Dealership Payroll Expense	\$7.18 million
Average Employee Salary	\$79,750
Total State and Local Taxes Collected or Paid	\$899.9 million
Total Federal Payroll Taxes Collected or Paid	\$385.4 million

(Note: all figures are for 2021, unless otherwise noted.)



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