

THE ECONOMIC IMPACT

of Franchised New Vehicle Retailers on the New Jersey Economy



nj car

MAY 2015

Study sponsored by
New Jersey Coalition of Automotive
Retailers - Confidential 2015 report
compiled from 2014 data

DEALERSHIP FINANCIAL SUMMARY - 2014

Average dealership sales: \$63,000,000

Average dealership contributions to charitable causes: \$26,000

Average dealership advertising expenses: \$775,000

Average number of vehicles serviced per dealership: 21,400

DEALERSHIP VEHICLE SALES SUMMARY - 2014

Average dealership retail new vehicle sales: 990 units

Average dealership retail used vehicle sales: 680 units

Shown above is a summary of average dealership financial statistics and vehicle sales results during 2014.

During 2014, franchised new vehicle dealerships in the State generated a total of nearly 55,000 jobs. Job creation by the industry increased from 2013 to 2014.

New Jersey residents earned more than \$3 billion as a result of automotive dealership operations in 2014, an increase of 6% versus 2013.

Average dealership payroll was \$4.625 million, up from \$4.310 million in 2013.

Dealerships collected or paid a total of more than \$1.57 billion in State and local taxes in 2014, up 5.5% from 2013.

Automobile dealerships spent more than \$395 million on advertising during 2014.

Franchised new vehicle dealerships in the state had total sales of \$32.13 billion in 2014, a 5.6% increase compared to 2013.

Average dealership sales were \$63 million in 2014, up from \$59.1 million in 2013.

Collectively, automobile dealers contributed over \$13.2 million to charitable organizations in 2014.

A MESSAGE FROM THE NJ CAR PRESIDENT

New Jersey auto sales, and the overall economic outlook of the industry both continue to contribute positively to the Garden State's economy. Auto sales in New Jersey were up 5.6% in 2014, hitting \$32.13 BILLION. The industry also contributed an astounding \$1.57 Billion in State and local taxes to the New Jersey economy. The network of 510 franchised neighborhood new car and truck retailers are selling cars and trucks at an aggressive pace and continue to add good-paying jobs in the New Jersey auto retail sector.

Economists expect the positive news to continue in 2015 as low interest rates, better access to credit, mild inflation, and increasing consumer confidence all combine to keep the auto retail market moving forward. In particular, if employers continue adding jobs at a brisk pace in 2015, sales should continue to increase and may approach pre-recession highs.

Pent up demand for new cars, a dramatically aging vehicle fleet on the roads and a huge influx of vehicles expected to come off-lease in the next two years are additional factors that should drive automotive sales.

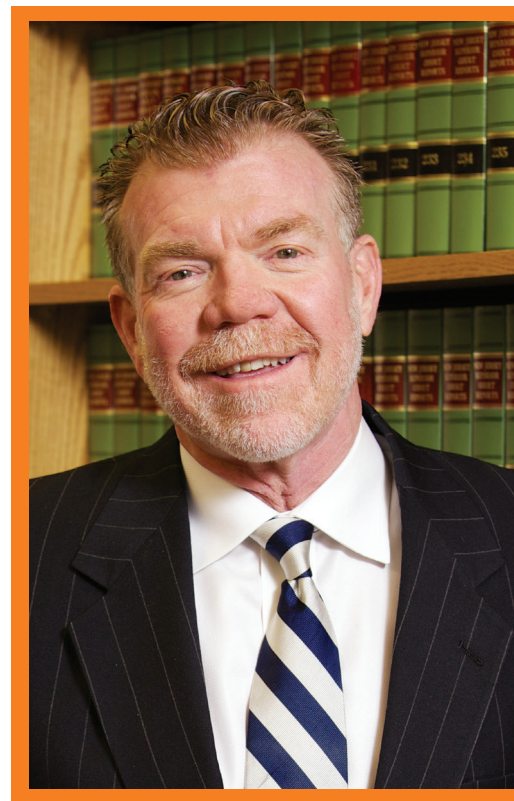
More and more consumers are also embracing the many technological and fuel-efficiency advantages introduced in many vehicles made today.

The advancements made in the last five, ten or 15 years is staggering and make a new vehicle purchase a wise investment.

This report offers hard data on employment, payroll, tax collections and industry sales in New Jersey in 2014.

James B. Appleton **President**

New Jersey Coalition of Automotive Retailers



This report provides a summary of the significant impact that new franchised automobile dealers have on the New Jersey economy. As clearly illustrated, the automotive retailing industry is critically important to the health of the State's economy.

The report includes estimates of direct and indirect employment, personal income, and tax collections during 2014. Indirect impact accounts for the residual contribution resulting from dealership operations (frequently referred to as the "multiplier effect"). This report was prepared by Auto Outlook, Inc., an independent automotive market analysis firm, and is sponsored by the New Jersey Coalition of Automotive Retailers.



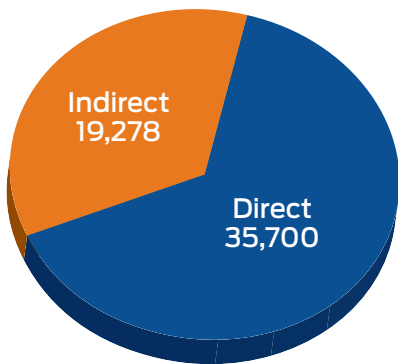
Contact information is on the back page.

EMPLOYMENT



EMPLOYMENT TOTAL FOR NEW VEHICLE RETAILING INDUSTRY ■ 2014

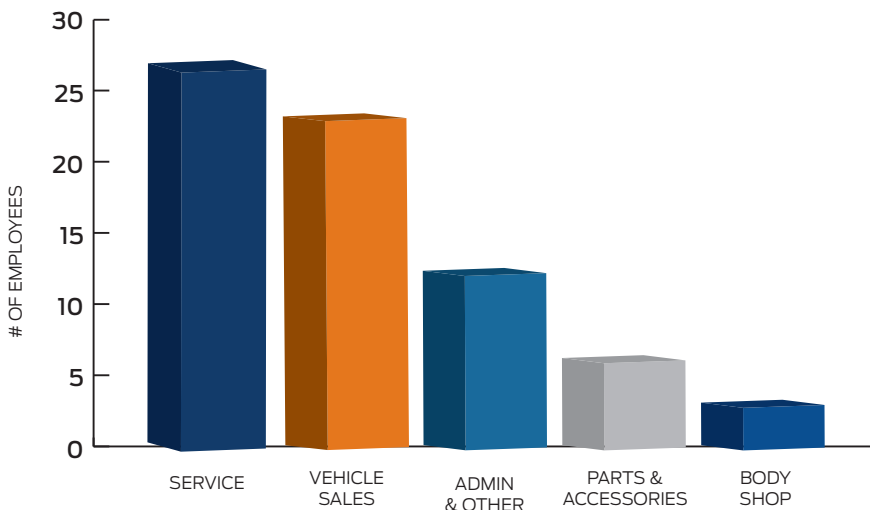
(DIRECT: AT DEALERSHIPS; INDIRECT: ELSEWHERE IN ECONOMY)



Contribution to Statewide Retail Employment by Franchised New Vehicle Dealerships ■ 2012 - 2014

	2012	2013	2014	% change '13 to '14
Total Employment Resulting from Auto Dealership	54,281	53,483	54,978	2.8%
Total Retail Employment in the State	443,000	448,000	455,000	1.6%
DEALERSHIP % OF RETAIL STATEWIDE TOTAL	12.3%	11.9%	12.1%	

AVERAGE NUMBER OF DEALERSHIP EMPLOYEES BY DEPARTMENT ■ 2014



Automobile dealerships in New Jersey employed a total of 35,700 individuals in 2014, with an additional 19,278 positions resulting from indirect economic impact. This total represented 12.1% of total retail employment in the state. Dealership employment (direct only) increased 2.8% from 2013 to 2014. Average dealership employment was 70 individuals.

The average automobile dealership in New Jersey had payroll of \$4,625,000 in 2014, up 7.3% from 2013. Payroll for the new vehicle retailing industry was more than \$2.35 billion, with the total (including indirect impact) exceeding \$3 billion.

EMPLOYEE COMPENSATION ■ 2012-2014

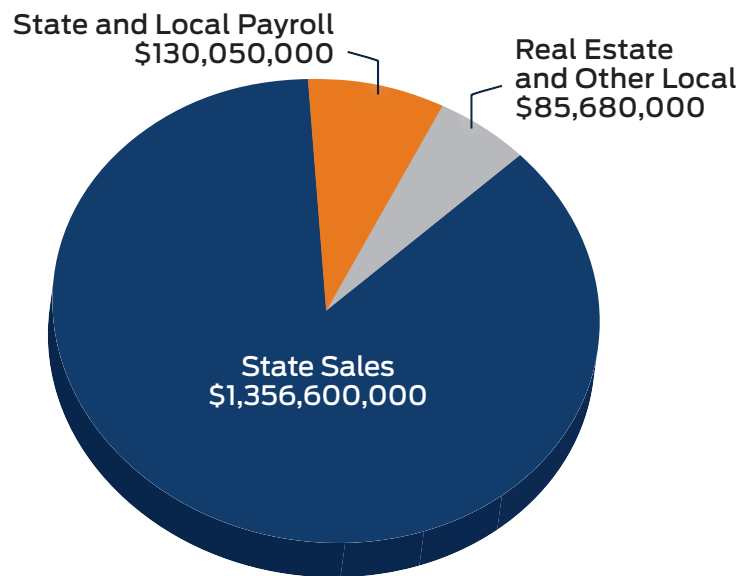
	2012	2013	2014	% change '13 to '14
Total Payroll (including fringe benefits) For Average Franchised New Vehicle Dealership in New Jersey	\$4,075,000	\$4,310,000	\$4,625,000	7.3%
TIMES				
Total Number of Franchised New Vehicle Dealerships in New Jersey	515	515	510	-1.0%
EQUALS				
Total Employee Compensation at Franchised New Vehicle Dealerships	\$2,098,625,000	\$2,219,650,000	\$2,358,750,000	6.3%
PLUS				
Additional Indirect Employee Compensation Resulting from Franchised New Vehicle Dealership Operations	\$650,573,750	\$696,970,100	\$733,571,250	5.3%
EQUALS				
TOTAL EMPLOYEE COMPENSATION TO NEW JERSEY RESIDENTS DUE TO NEW VEHICLE RETAILING INDUSTRY	\$2,749,198,750	\$2,916,620,100	\$3,092,321,250	6.0%



TAX REVENUE

Automobile dealerships collected or paid a total of more than \$1.57 billion in State and local taxes during 2014, up 5.5% from 2013. State sales tax revenue exceeded \$1.35 billion. Federal tax revenue generated by dealerships was more than \$703 million.

STATE AND LOCAL TAXES COLLECTED AND/OR PAID BY FRANCHISED NEW VEHICLE DEALERSHIPS
 ■ 2014



State and Local Taxes Collected and/or Paid by Franchised New Vehicle Dealerships ■ 2012-2014

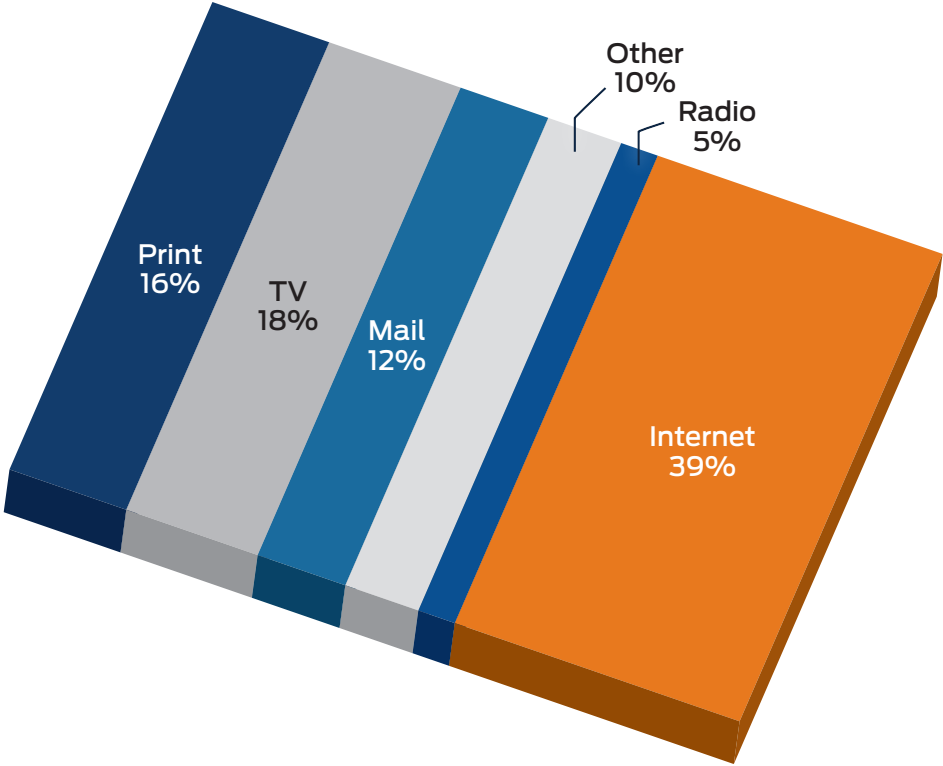
	2012	2013	2014	% change '13 to '14
State Sales Tax	\$1,236,000,000	\$1,287,500,000	\$1,356,600,000	5.4%
State and Local Payroll Taxes	\$115,875,000	\$121,025,000	\$130,050,000	7.5%
Real Estate and Other Local Taxes	\$77,250,000	\$82,400,000	\$85,680,000	4.0%
TOTAL DEALERSHIP STATE AND LOCAL TAX REVENUE	\$1,429,125,000	\$1,490,925,000	\$1,572,330,000	5.5%

Federal Tax Summary for All Franchised New Vehicle Dealerships ■ 2012-2014

	2012	2013	2014	% change '13 to '14
Federal Payroll Taxes	\$566,500,000	\$602,550,000	\$652,800,000	8.3%
Federal Business Income Taxes	\$46,350,000	\$47,380,000	\$50,490,000	6.6%
TOTAL	\$612,850,000	\$649,930,000	\$703,290,000	8.2%



PERCENTAGE OF FRANCHISED NEW VEHICLE DEALERSHIP ADVERTISING EXPENSE BY MEDIA ■ 2014

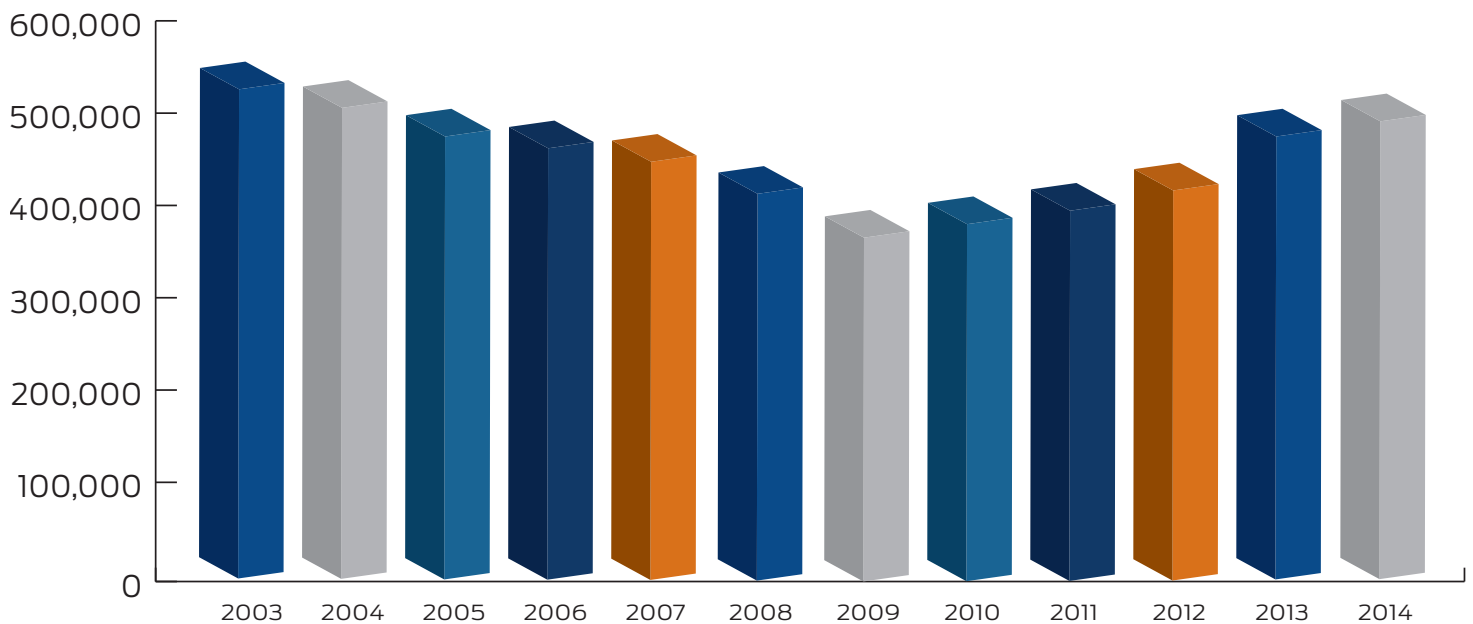


New franchised automobile dealerships spent a total of over \$395 million on advertising during 2014, up from 2013. Internet advertising accounted for the largest percentage of dealership advertising (39%).

NEW VEHICLE MARKET REVIEW



NEW RETAIL LIGHT VEHICLE REGISTRATIONS IN NEW JERSEY
2003-2014



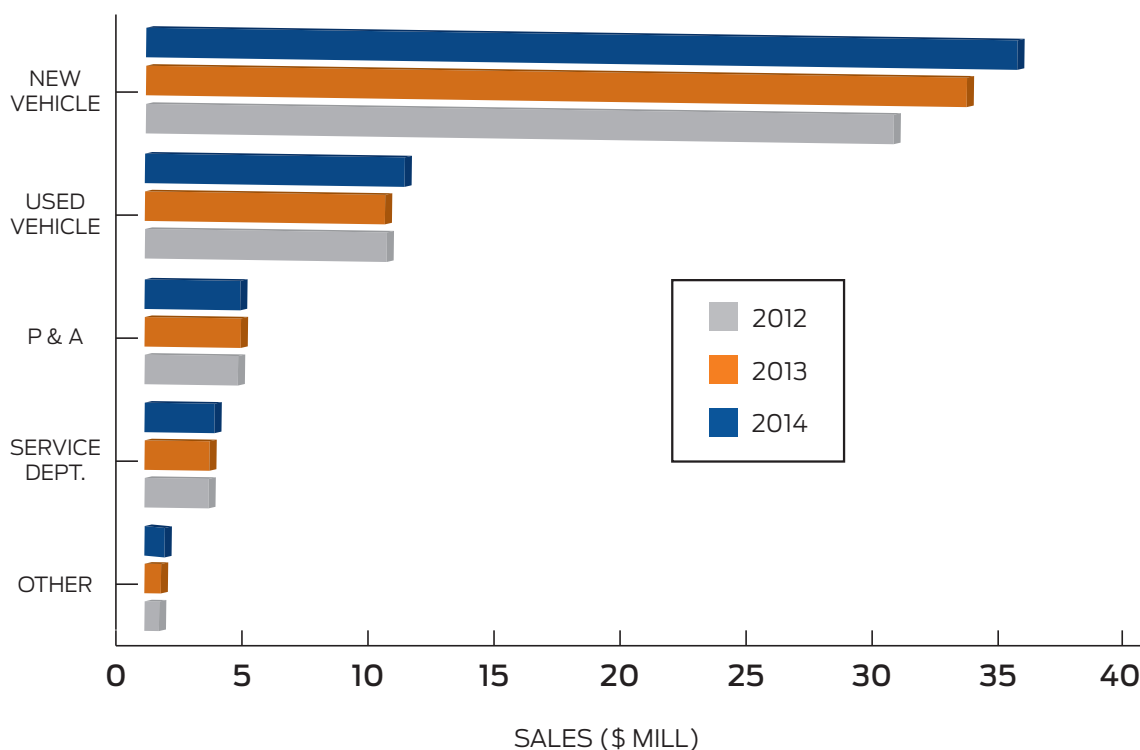
New retail registrations of cars and light trucks in New Jersey exceeded 500,000 units from 2000 thru 2005. Registrations declined to a 20 year low in 2009. The market recovery began in 2010, with registrations increasing to about 400,000, a 12% improvement from 2009. Last year's total was 498,966, up 39% from 2009.

Data Source: IHS Automotive

DEALERSHIP SALES

New franchised automobile dealerships in New Jersey had total sales exceeding \$32 billion during 2014. Average dealership sales were \$63 million, with the new vehicle department accounting for 60% of the total. Average dealership sales increased by 6.6% from 2013 to 2014.

AVERAGE FRANCHISED NEW VEHICLE DEALERSHIP SALES BY DEPARTMENT [\$]



Franchised New Vehicle Dealership Sales Summary ■ 2012-2014

	2012	2013	2014	% change '13 to '14
Average franchised new vehicle dealership sales	\$56,500,000	\$59,100,000	\$63,000,000	6.6%
TOTAL AUTOMOTIVE RETAILING SALES IN NJ	\$29,097,500,000	\$30,436,500,000	\$32,130,000,000	5.6%

NJ CAR MEMBER LIST

District 1

Action Auto Group-Millville
Avalon Honda
Burke Motors, Inc.
Gentilini Chevrolet
Gentilini Ford, Inc.
Kindle Ford Lincoln Isuzu
Lilliston Chrysler Dodge Jeep
Lilliston Ford, Inc.
Perry-Egan Chevrolet, Inc.
RK Chevrolet Subaru, Inc.
Rossi Honda
Team Nissan
Toyota Scion of Vineland
Vann Dodge Chrysler Jeep

District 2

Atlantic Chrysler Jeep VW
Bennett Chevrolet, Inc.
BMW of Atlantic City
Boardwalk Acura
Boardwalk Honda
Chapman Ford Lincoln Mazda
Kerbeck Cadillac Chevrolet
Buick GMC
Kerbeck Mitsubishi Subaru
Lexus of Atlantic City
Matt Blatt Kia-Egg Harbor Twp.
Mercedes-Benz Porsche of
Atlantic City
Nissan Volvo Infiniti of
Atlantic City
Shore Toyota
Sport Hyundai Dodge

District 3

Bay Shore Ford of Pennsville, Inc.
Bob Novick Chevrolet, Inc.
Freightliner of Bridgeport
Liberty Kenworth of South Jersey
Pellegriano Chrysler Jeep
Pointe Buick GMC
Spirit Chrysler Dodge Jeep
Volkswagen of Salem County

District 4

Acura Turnersville
Audi Turnersville
Holman Ford Lincoln-Turnersville
Nissan of Turnersville
Pellegriano Buick GMC
Prestige Volkswagen Mitsubishi
Subaru
Toyota of Turnersville
Turnersville Auto Mall
Turnersville Chrysler Jeep
Turnersville Kia

District 5

Ace Ford
Barlow Buick GMC-Woodbury
Mount Ephraim Chrysler Dodge
RAM
Pellegriano Chevrolet
Performance Dodge Ram
Toyota Scion of Runnemede
Woodbury Nissan, Inc.

District 6

Bergey's Truck Center-Pennsauken
Cherry Hill Classic Cars
Cherry Hill Dodge Chrysler Jeep
Cherry Hill Imports
Cherry Hill Kia

Cherry Hill Mitsubishi
Cherry Hill Nissan
Cherry Hill Volvo
Echelon Ford, Inc.
Fiat of Maple Shade
Holman Automotive Group
Holman Ford Lincoln-Maple Shade
Holman Infiniti
Land Rover Cherry Hill
Mall Chevrolet, Inc.
Maple Shade Mazda
Mercedes-Benz of Cherry Hill
Subaru of Cherry Hill
Winner Ford

District 7

Barlow Chevrolet
Burlington Chevrolet, Inc.
Burlington Kia
Burlington Volkswagen
Davis Honda
Dodge Chrysler City
F. C. Kerbeck & Sons
Holman Cadillac
Holman Toyota Scion
Lexus of Cherry Hill
Liberty Toyota Scion
Lucas Ford
Mini of Mount Laurel

District 8

Arena Buick GMC
Burns Buick GMC
Burns Honda
Burns-Kull Automotive Group
Classic Cars Nissan
Elkins Chevrolet
Hainesport Auto & Truck Center
Lucas Chevrolet
Lucas Chrysler Jeep Dodge
Medford Ford
Miller Ford Lincoln Subaru

District 9

Barlow Buick GMC-Manahawkin
Causeway Ford Lincoln
Causeway Honda
Causeway Nissan
Manahawkin Chrysler Dodge
Manahawkin Kia

District 10

Circle Dodge, Inc.
Downs Ford
Gateway Toyota Scion
Honda of Toms River
Lester Glenn Auto Group
Lester Glenn Buick GMC
Lester Glenn Chevrolet
Lester Glenn Chrysler Jeep
Dodge Ram
Lester Glenn Hyundai-Toms River
Lester Glenn Mazda
Lester Glenn Subaru
Pine Belt Automotive
Toms River Kia
Toms River Volkswagen
Weisleder Ford Mazda

District 11

Action Chevrolet of Freehold
Acura of Ocean
Audi Freehold
Buhler Ford

Buhler Mitsubishi
Circle BMW
Circle Chevrolet Company
Circle Infiniti
DCH BMW of Freehold
DCH Freehold Nissan
DCH Freehold Toyota
DCH Kay Honda
Freehold Buick GMC
Freehold Chrysler Jeep
Freehold Dodge, Inc.
Freehold Ford
Freehold Hyundai
Freehold Kia
Freehold Subaru
Galaxy Toyota
George Wall Ford Lincoln
Gold Coast Cadillac
Honda of Freehold
Irwin Lincoln Mazda
Land Rover Monmouth
Lester Glenn Ford
Lester Glenn Hyundai-Manahawkin
Maurice Schwartz & Sons, Inc.
Mercedes-Benz of Freehold
Mini of Monmouth
Nissan World of Red Bank
Ray Catena Lexus of Freehold
Ray Catena Lexus of Monmouth
Ray Catena Maserati
Red Bank Volvo, Inc.
Sansone Jr's 66 Auto Mall
Schneider & Nelson Audi
Schneider & Nelson Motor Cars
Sea Coast Chevrolet
Sea View Auto Corp.
Shrewsbury Motors
Volkswagen of Freehold
World Jeep Chrysler Dodge Ram
World Subaru
World Volkswagen

District 12

All American Ford Subaru of
Old Bridge
DCH Academy Honda
Hunter Jersey Peterbilt-Clarksburg
Oasis Chevrolet

District 13

All American Chevrolet, Inc.
Buhler Chrysler Jeep Dodge
Contemporary Motor Cars, Inc.
Pine Belt of Keyport
Straub Motors, Inc.
Tom's Ford
Werner's Automotive, Inc.

District 14

Haldeman Ford of Hightstown
Hamilton Honda
Hamilton Mazda Volkswagen, Inc.
Perrine Buick GMC
Princeton BMW Mini
Route 33 Nissan
Windsor Nissan

District 15

Coleman Auto Group, Inc.
Coleman Buick GMC Cadillac
Davis Hyundai
Haldeman Ford
Haldeman Lexus of Princeton

Lawrenceville Ford Lincoln
Mercedes-Benz of Princeton
Porsche of Princeton
Precision Acura
Princeton Chevrolet, Inc.
Route 1 Chrysler Dodge Jeep Ram
Team Toyota of Princeton
Volvo of Princeton

District 16

Acme Nissan
Action Auto Group-Flemington
Baker Chrysler Jeep Dodge, Inc.
Brad Benson Hyundai
Bridgewater Nissan
Bridgewater Volvo
Dayton Toyota
Ditschman Flemington Ford Lincoln
Fiat of Somerville
Flemington BMW
Flemington Buick Chevrolet GMC
Cadillac
Flemington Dodge Chrysler Jeep
Flemington Infiniti
Flemington Nissan
Flemington Porsche Audi VW
Flemington Subaru
Fred Beans Kia of Flemington
Fred Beans Toyota of Flemington
Fullerton Chrysler Jeep Dodge
Fullerton Ford
Gabrielli Kenworth of NJ
Honda of Princeton
Land Rover Princeton
Mercedes-Benz of Flemington
Princeton Audi
Princeton Mini
Princeton Volkswagen

District 17

DCH Brunswick Toyota
Gateway Kia of North Brunswick
Malouf Buick-GMC, Inc.
Malouf Chevrolet-Cadillac, Inc.
Malouf Ford-Lincoln, Inc.
Victory Subaru LLC

District 18

Bell Audi
Bentley Edison
Cambria Mack
Campbell Freightliners
Edison Nissan
Ferrari Maserati of Central NJ
Lexus of Edison
Open Road Acura of East
Brunswick
Open Road BMW of Edison
Open Road Honda
Open Road Mazda
Ray Catena Infiniti
Ray Catena Jaguar of Edison
Ray Catena Motor Car
Reydel Volkswagen, Inc.
Route 18 Chrysler Jeep
Dodge Ram
Volvo of Edison

District 19

Bell Ford
Dah Chong Hong USA
McGuire Cadillac
Miller Buick GMC Corp.
Richard Lucas Chevrolet

Route 1 Mazda-Woodbridge
Route 1 Toyota
Sansone Chrysler Jeep Dodge
Sansone Hyundai, Inc.
Sansone Kia
Sansone Nissan

District 20

Cambria Mack Trucks, Inc.
Linden Volkswagen
Maplecrest of Union
Maxon Hyundai Mazda
Multi Chevrolet
Multi Subaru
Planet Honda
Ray Catena of Union
Route 22 Honda
Route 22 Kia
Route 22 Nissan
Route 22 Toyota
Union Buick GMC
Union Volkswagen

District 21

Autoland Chrysler Jeep Dodge, Inc.
Crown Cadillac, Inc.
DMT Automotive Enterprises, Inc.
Douglas Infiniti
Douglas Volkswagen
HFI Truck Center
JMK BMW
JMK Fiat
Liccardi Ford, Inc.
Nissan World of Springfield
Salerno-Duane, Inc.
Smythe Volvo, Inc.
Springfield Acura
Springfield Truck Center, Inc.
Team Welsh Jeep Chrysler

District 22

Bell Mitsubishi
Crystal Motors
Global Auto Mall
Green Brook Buick GMC
Liccardi Chrysler Dodge
North Plainfield Nissan
VIP Honda

District 23

Audi Bridgewater
Autosport Honda
Bill Vince's Bridgewater Acura
BMW of Bridgewater
Bridgewater Chevrolet
Callaremi Cadillac Buick GMC
Clinton Acura
Clinton Honda
Hackettstown Hyundai
Honda of Hackettstown
Johnson Dodge Chrysler
Kemper Kia
Lexus of Bridgewater
Motion Kia
Muller Toyota, Inc.
Opdyke's Sales & Service
Open Road Auto Group
Open Road of Bridgewater
Open Road Volkswagen of
Bridgewater
Phillipsburg Easton Honda, Inc.
Phillipsburg Easton Hyundai
Ray Catena Infiniti of Bridgewater
Rossi Chevrolet Buick GMC
Smith Motor Company, Inc.
Subaru 46

District 24

Audi Newton

Franklin Sussex Auto Mall, Inc.
Franklin Sussex Hyundai
Hoover Truck Center
Intercar Mercedes-Benz
Lynnes Nissan West
Magarino Ford
McGuire Chevrolet Cadillac
Newton Kia
Open Road of Newton
Route 46 Chevrolet
Royal Buick GMC, Inc.
Subaru World of Newton
Sussex Honda
Toyota World of Newton
Volkswagen of Newton

District 25

Acura of Denville
Audi of Mendham
Ayers Chevrolet
Beyer Chrysler Jeep Dodge Ram
Beyer Ford
Dalessio Chevrolet Buick
Dover Dodge Chrysler Jeep, Inc.
Family Ford, Inc.
Fiat of Morris County
Gateway Kia of Denville
Gearhart Chevrolet
H & H Mack
Jim Salerno Buick GMC
John Johnson Dodge
Joyce Honda
Maplecrest Ford Inc.
Mercedes-Benz of Morristown
Nissan World of Denville
Open Road BMW of Morristown
Open Road BMW of Roxbury
Open Road Mazda of Morristown
Open Road Mini of Morristown
Paul Miller Volkswagen of
Bernardsville
Performance Ford Lincoln
Salerno Duane Infiniti
Subaru of Morristown
Towne Hyundai
Towne Toyota
Toyota of Morristown, Inc.
Trend Motors

District 26

Bentley Parsippany
Caldwell Toyota
DCH Montclair Acura
DeCozen Chrysler Jeep Dodge
Konner Chevrolet, Inc.
Land Rover Parsippany
Mercedes-Benz of Caldwell
Paul Miller Audi
Paul Miller Auto Group
Paul Miller Honda of West
Caldwell
Paul Miller Porsche
Paul Miller Subaru
Precision Chrysler Jeep
Dodge Ram
Route 23 Auto Mall
Verner-Cadby, Inc.

District 27

DCH Millburn Audi
Ed Carney Ford, Inc.
Hilltop Nissan, Inc.
Lexus of Route 10
Madison Honda
Madison Jaguar
Maserati of Morris County
Nielsen Chrysler Jeep
Dodge Ram

Norman Gale Buick GMC
Open Road Cadillac
Prestige Volvo
Wigder Chevrolet, Inc.

District 28

DCH BMW of Bloomfield
Lynnes Hyundai
Lynnes Nissan
Lynnes Subaru
Nutley Kia

District 30

Coast Honda
Colonial Airstream
Garden State Volvo
Honda Universe
Jim Curley Buick GMC
Jim Curley Kia
Larson Ford, Inc.
Pine Belt Chevrolet of
Lakewood
Pine Belt Chrysler Jeep
Pine Belt Subaru
Sea Breeze Ford
T & T Coast Buick GMC
Toyota Scion World of
Lakewood

District 31

Chevrolet of Jersey City
Hudson Chrysler Jeep Dodge
Hudson Hyundai
Hudson Kia
Hudson Nissan
Hudson Subaru
Hudson Toyota
Jersey City Ford
Metro Honda

District 32

Audi Meadowlands
Beyer Bros. Corp.
Hudson County Motors
Hudson Honda
McGuire Buick GMC
Meadowland Ford Truck Sales

District 34

Fette Ford, Inc.
Fette Infiniti
Garden State Honda-Clifton
Gensinger Motors, Inc.
Schumacher Chevrolet of Clifton

District 35

46 Mitsubishi
Brogan Cadillac Company
Nissan 46

District 36

Bellavia Chevrolet Buick
East Coast Toyota Scion
Frank's Truck Center, Inc.
MTC Kenworth
Quality Auto Mall
Scheeler Trucks Sales & Service
Teterboro Chrysler Jeep
Three County Volkswagen Corp.

District 37

All American Ford, Inc.
Autoeastern Nissan of
Englewood Cliffs
Benzel-Busch Motor Car Corp.
BMW of Tenafly
D & C Honda of Tenafly
East Coast Automotive, Inc.
Englewood Auto Group
Englewood Cliffs Cadillac
Englewood Volvo

Ford of Englewood, Inc.
Infiniti of Englewood
Lexus of Englewood
Parkway Toyota
Prestige Kia
Town Motors
Toyota of Hackensack

District 38

All American Ford of Paramus
Autoeastern Nissan of
Meadowlands
Autoeastern Nissan of Paramus
Chrysler Jeep Dodge of
Paramus
DCH Paramus Honda
Elite Nissan of Bergenfield
Glen Toyota
Hawthorne Chevrolet
Jack Daniels Audi
Jack Daniels Kia
Kundert Volvo
Land Rover Paramus
Mazda of Lodi
Nissan of Hawthorne
North Jersey Truck Center
Paramus Auto Mall
Paramus Hyundai
Paramus Mitsubishi
Park Avenue Acura
Park Avenue BMW
Paul's Motors Sales & Service
Prestige Motors Corp.
Route 4 Auto Group

District 39

Acura of Ramsey
Buick GMC of Mahwah
Cadillac of Mahwah
Jack Daniels Audi-Upper Saddle
Joe Heidt Motors
Liberty Hyundai
Liberty Subaru Inc.
Mahwah Ford Sales & Service, Inc.
Mahwah Honda
Maserati of Bergen County
Prestige BMW
Prestige Lexus
Prestige Mini
Prestige Toyota
Ramsey Chrysler Jeep Dodge
Ramsey Fiat
Ramsey Infiniti
Ramsey Mazda
Ramsey Nissan
Ramsey Subaru
Ramsey Volvo

District 40

Bob Ciasulli Auto Group
Crestmont Toyota Volkswagen
Lincoln of Wayne
McGuire Buick GMC
Open Road Acura of Wayne
Paul Miller BMW
Route 23 Honda
Route 23 Kia
Route 46 Chrysler Jeep Dodge
Schumacher Chevrolet, Inc.
Tri-County Lexus
Wayne Ford
Wayne Mazda Hyundai
Wayne Subaru, Inc.

