Dealership financial data (and other information cited in this report) was collected from a detailed survey sent to all automotive dealers in New Jersey. The response rate (42% of surveys were returned) was sufficient to form a statistically reliable database for financial and operational indicators.

The economic impact of the industry is separated into two main categories: direct and indirect. Direct impact comprises economic activity at automotive dealerships themselves. Indirect impact occurs away from the dealership proper, and takes into account the extended contribution dealerships make to the State’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 economic computer models. Indirect estimates in this report are intentionally conservative and, therefore, may underestimate the overall contribution automotive retailers make to the New Jersey economy.

Auto Outlook, Inc. is a regional automotive market analysis firm providing market research services to automotive dealers.
Message from NJ CAR President

This economic impact study has been compiled as an educational tool, showing the significant contribution the retail automotive industry makes to the New Jersey economy. Included are estimates on employment, payroll, tax collections and industry sales in New Jersey.

The New Jersey Coalition of Automotive Retailers (NJ CAR) has represented and protected the interests of this vital industry for more than 85 years. Our members’ sole purpose is to sell and service new cars and trucks. NJ CAR’s primary goal is to guard against overly restrictive regulations and restrictions that negatively impact the industry’s economic growth.

As you will see in the accompanying report, automotive dealerships employ thousands of New Jersey citizens, who earn a generous wage. The industry also contributes hundreds of millions of dollars in State, local and federal tax revenue.

Please don’t hesitate to contact me with any questions you may have regarding the importance of the retail automotive industry to New Jersey.

Sincerely,
James B. Appleton

NJ CAR President
This report provides a summary of the significant impact that franchised new automobile dealers have on the New Jersey economy. It includes estimates of direct and indirect employment, personal income and tax collections during 2003. Indirect impacts account for the residual contribution that occurs as the result of 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 Automobile Retailers. Contact information is listed on the back cover.

Primary Conclusions

- During 2003, New Jersey’s 632 franchised new vehicle dealerships generated over 61,000 jobs.
- New Jersey residents earned over $2.45 billion as a result of automobile dealership operations.
- Average dealership payroll approached $3 million.
- Dealerships collected or paid over $870 million in State and local taxes.
- Automobile dealerships spent over $322 million on advertising during 2003.
- Franchised new vehicle dealerships in the State had total sales of nearly $26 billion in 2003.
- Average dealership sales exceeded $41 million.

Collectively, automobile dealers contributed over $13 million to charitable causes.
Franchised new automobile dealers in New Jersey had total sales approaching $26 billion during 2003. Average dealership sales exceeded $41 million, with the new vehicle department accounting for nearly two-thirds of the total.
Automobile dealerships spent over $322 million on advertising during 2003. (This amount does not include mandatory dealership contributions to manufacturer subsidized advertising programs.)

New retail registrations of cars and light trucks in New Jersey have exceeded 500,000 units from 2000 through 2003. Light truck market share in the State has increased from 30% in 1997 to 48% in 2003.

Automobile dealerships in New Jersey employed a total of 39,653 individuals, with an additional 21,809 positions resulting from the indirect economic impacts. The average dealership employed 63 people.
The average automobile dealership in New Jersey had payroll of nearly $3,000,000. Payroll for the new vehicle retailing industry was over $1.8 billion; with the total (including indirect impact) exceeding $2.4 billion.

### Employee Compensation

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total payroll (including fringe benefits) for AVERAGE dealership in New Jersey</td>
<td>$2,986,000</td>
</tr>
<tr>
<td>Total number of franchised new vehicle dealerships in New Jersey</td>
<td>x 632</td>
</tr>
<tr>
<td>TOTAL EMPLOYEE COMPENSATION AT DEALERSHIPS</td>
<td>$1,887,152,000</td>
</tr>
<tr>
<td>Additional indirect employee compensation resulting from dealership operations</td>
<td>+ $566,145,600</td>
</tr>
<tr>
<td>TOTAL EMPLOYEE COMPENSATION TO NEW JERSEY RESIDENTS DUE TO FRANCHISED DEALERSHIP INDUSTRY</td>
<td>$2,453,297,600</td>
</tr>
</tbody>
</table>