THE ECONOMIC IMPACT
OF FRANCHISED NEW VEHICLE RETAILERS ON THE NEW JERSEY ECONOMY

Study Sponsored By New Jersey Coalition of Automotive Retailers • Confidential 2014 report compiled from 2013 data
During 2013, franchised new vehicle dealerships in the State generated a total of over 53,000 jobs.

New Jersey residents earned nearly $3 billion as a result of franchised new vehicle dealership operations in 2013, an increase of 6.1% versus 2012.

Average franchised new vehicle dealership payroll was $4.31 million, up from $4.075 million in 2012.

Franchised new vehicle dealerships spent over $365 million on advertising during 2013.

Franchised new vehicle dealerships in the State had total sales of $30.43 billion in 2013, a 4.6% increase compared to 2012.

Average franchised new vehicle dealership sales were $59.1 million in 2013, up from $56.5 million in 2012.

Collectively, franchised dealers contributed over $13.3 million to charitable organizations in 2013.

Shown above is a summary of average dealership financial statistics and vehicle sales results during 2013.

**DEALERSHIP FINANCIAL SUMMARY - 2013**

- Average dealership sales: $59,100,000
- Average dealership contributions to charitable causes: $25,800
- Average dealership advertising expenses: $710,000
- Average number of vehicles serviced per dealership: 21,200

**DEALERSHIP VEHICLE SALES SUMMARY - 2013**

- Average dealership retail new vehicle sales: 950 units
- Average dealership retail used vehicle sales: 670 units
This report provides a summary of the significant impact that franchised new automotive 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.

This report includes estimates of direct and indirect employment, personal income, and tax collections during 2013. 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 - 2013
(DIRECT: AT DEALERSHIPS; INDIRECT: ELSEWHERE IN ECONOMY)

Franchised new automotive dealerships in New Jersey employed a total of 34,505 individuals in 2013, with an additional 18,978 positions resulting from indirect economic impact. This total represented 11.9% of total retail employment in the State. Dealership employment (direct only) decreased slightly from 2012 to 2013, although employee salaries increased by an average of 5.8%. Average dealership employment was 67 individuals.

Contribution to Statewide Retail Employment by Franchised New Vehicle Dealerships - 2011 thru 2013

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>% change '12 to '13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Employment Resulting from Auto Dealership</td>
<td>53,649</td>
<td>54,281</td>
<td>53,483</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Total Retail Employment in the State</td>
<td>440,000</td>
<td>443,000</td>
<td>448,000</td>
<td>1.1%</td>
</tr>
<tr>
<td>DEALERSHIP % OF RETAIL STATEWIDE TOTAL</td>
<td>12.2%</td>
<td>12.3%</td>
<td>11.9%</td>
<td></td>
</tr>
</tbody>
</table>

AVERAGE NUMBER OF DEALERSHIP EMPLOYEES BY DEPARTMENT - 2013

Franchised new automotive dealerships in New Jersey employed a total of 34,505 individuals in 2013, with an additional 18,978 positions resulting from indirect economic impact. This total represented 11.9% of total retail employment in the State. Dealership employment (direct only) decreased slightly from 2012 to 2013, although employee salaries increased by an average of 5.8%. Average dealership employment was 67 individuals.
The average franchised new vehicle dealership in New Jersey had payroll of $4,310,000 in 2013, up 5.8% from 2012. Payroll for the new vehicle retailing industry was nearly $2.2 billion, with the total (including indirect impact) approaching $3 billion.

**EMPLOYEE COMPENSATION - 2011 THRU 2013**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total Payroll (including fringe benefits) For Average Franchised New Vehicle Dealership in New Jersey</td>
<td>$3,950,000</td>
<td>$4,075,000</td>
<td>$4,310,000</td>
<td>5.8%</td>
</tr>
<tr>
<td>TIMES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Number of Franchised New Vehicle Dealerships in New Jersey</td>
<td>509</td>
<td>515</td>
<td>515</td>
<td>0.0%</td>
</tr>
<tr>
<td>EQUALS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Employee Compensation at Franchised New Vehicle Dealerships</td>
<td>$2,010,550,000</td>
<td>$2,098,625,000</td>
<td>$2,219,650,000</td>
<td>5.8%</td>
</tr>
<tr>
<td>PLUS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Indirect Employee Compensation Resulting from Franchised New Vehicle Dealership Operations</td>
<td>$603,165,000</td>
<td>$650,573,750</td>
<td>$696,970,100</td>
<td>7.1%</td>
</tr>
<tr>
<td>EQUALS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL EMPLOYEE COMPENSATION TO NEW JERSEY RESIDENTS DUE TO NEW VEHICLE RETAILING INDUSTRY</td>
<td>$2,613,715,000</td>
<td>$2,749,198,750</td>
<td>$2,916,620,100</td>
<td>6.1%</td>
</tr>
</tbody>
</table>
TAX REVENUE

### State and Local Taxes Collected and/or Paid by Franchised New Vehicle Dealerships - 2011 thru 2013

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>% change '12 to '13</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Sales Tax</td>
<td>$1,157,975,000</td>
<td>$1,236,000,000</td>
<td>$1,287,500,000</td>
<td>4.2%</td>
</tr>
<tr>
<td>State and Local Payroll Taxes</td>
<td>$111,980,000</td>
<td>$115,875,000</td>
<td>$121,025,000</td>
<td>4.4%</td>
</tr>
<tr>
<td>Real Estate and Other Local Taxes</td>
<td>$73,805,000</td>
<td>$77,250,000</td>
<td>$82,400,000</td>
<td>6.7%</td>
</tr>
<tr>
<td><strong>TOTAL DEALERSHIP STATE AND LOCAL TAX REVENUE</strong></td>
<td><strong>$1,343,760,000</strong></td>
<td><strong>$1,429,125,000</strong></td>
<td><strong>$1,490,925,000</strong></td>
<td><strong>4.3%</strong></td>
</tr>
</tbody>
</table>

### Federal Tax Summary for All Franchised New Vehicle Dealerships - 2011 thru 2013

<table>
<thead>
<tr>
<th>Tax Type</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Federal Payroll</td>
<td>$547,175,000</td>
<td>$566,500,000</td>
<td>$602,550,000</td>
<td>6.4%</td>
</tr>
<tr>
<td>Federal Business Income Taxes</td>
<td>$42,756,000</td>
<td>$46,350,000</td>
<td>$47,380,000</td>
<td>2.2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$589,931,000</strong></td>
<td><strong>$612,850,000</strong></td>
<td><strong>$649,930,000</strong></td>
<td><strong>6.1%</strong></td>
</tr>
</tbody>
</table>

STATE AND LOCAL TAXES COLLECTED AND/OR PAID BY FRANCHISED NEW VEHICLE DEALERSHIPS - 2013

Franchised new vehicle dealerships collected or paid almost $1.5 billion in State and local taxes during 2013, up 4.3% from 2012. State Sales Tax revenue exceeded $1.28 billion. Federal tax revenue generated by franchised new vehicle dealerships was $650 million.
Franchised new vehicle dealerships spent more than $365 million on advertising during 2013, up slightly from 2012. Internet advertising accounted for the largest percentage of dealership advertising (37%).
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 400,000, a 12% improvement from 2009. Last year’s total was 487,295, up 9.2% from 2012.

Data Source: Polk
Franchised new vehicle dealerships in New Jersey had total sales exceeding $30 billion during 2013. Average dealership sales were $59.1 million, with the new vehicle department accounting for 59% of the total. Average dealership sales increased by nearly 5% from 2012 to 2013.

Franchised New Vehicle Dealership Sales Summary - 2011 thru 2013

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Average franchised new vehicle dealership sales</td>
<td>$53,900,000</td>
<td>$56,500,000</td>
<td>$59,100,000</td>
<td>4.6%</td>
</tr>
<tr>
<td>TOTAL AUTOMOTIVE RETAILING SALES IN NJ</td>
<td>$27,435,100,000</td>
<td>$29,097,500,000</td>
<td>$30,436,500,000</td>
<td>4.6%</td>
</tr>
</tbody>
</table>
NJ Car Member List

District 1
Action Hyundai
Avalon Honda
Burke Motors, Inc.
Gentilini Chevrolet
Gentilini Ford, Inc.
Kindle Ford Lincoln Isuzu
Lilliston Chrysler Dodge Jeep
Listlott Ford, Inc.
Perry-Egan Chevrolet, Inc.
RK Chevrolet, Inc.
Rossi Honda
Team Nissan
Toyota Scion of Vineland
Vann Dodge Chrysler Jeep

District 2
Admiral Infiniti Volvo
Admiral Nissan, Inc.
Atlantic Chrysler Jeep Audi 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
Shore Toyota
Sport Hyundai Dodge
Volkswagen of Salem County

District 3
Bay Shore Ford of Penllsville, Inc.
Bob Novick Chevrolet, Inc.
Freightliner of Bridgeport
Liberty Kenworth of South Jersey
Pellegrino Chrysler Jeep
Pointe Buick GMC
Spirit Chrysler Dodge Jeep
World Volkswagen of Toms River

District 4
Audi Turnersville
Holman Ford Lincoln-Turnersville
Nissan of Turnersville
Pellegrino Buick GMC
Prestige Volkswagen Mitsubishi Subaru
Toyota of Turnersville
Turnersville Auto Mall
Turnersville Kia
Turnersville Mazda

District 5
Ace Ford
Barlow Buick GMC-Woodbury
Mount Ephraim Chrysler Dodge Ram
Pellegrino Chevrolet
Performance Dodge Ram
Toyota Scion of Runnemede
Woodbury Nissan, Inc.

District 6
Berger’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.
Elite Acura
Fiat of Maple Shade
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
BMW of Mount Laurel
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 Hyundai
Burns-Kull Automotive Group
Classic Cars Nissan
Elkins Chevrolet
Hainesport Auto & Truck Center
JMK Fiat
Lucas Chevrolet
Lucas Chrysler Jeep Dodge
Medford Ford
Miller Ford Lincoln

District 9
Acura of Ocean
Barlow Buick GMC-Manahawkin
Causeway Ford Lincoln
Causeway Honda
Causeway Nissan
Gold Coast Automotive, LLC
Land Rover Monmouth
Lester Glenn Ford
Lester Glenn Hyundai-Manahawkin
Manahawkin Chrysler Dodge
Manahawkin Kia
Mini of Monmouth
Ray Catena Lexus of Monmouth
Ray Catena Maserati
Sea Coast Chevrolet

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
Pine Belt Cadillac of Toms River
Toms River Kia
Weisler Ford Mazda

District 11
Buhrer Ford
Buhrer Mitsubishi
Circle BMW
Circle Chevrolet Company
Circle Infiniti
DCI BMW of Freehold
DCI Freehold Nissan
DCI Freehold Toyota
DCI 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
Honda of Freehold
Infini Lincoln Mazda
Maurice Schwartz & Sons, Inc.
Mercedes-Benz of Freehold
Nissan World of Red Bank
Pine Belt Chevrolet of Freehold
Ray Catena Lexus of Freehold
Red Bank Volvo, Inc.
Sansone Jr’s 66 Auto Mall
Schneider & Nelson Audi
Schneider & Nelson Motor Cars
Sea View Auto Corp.
Volkswagen of Freehold
World Jeep Chrysler Dodge Ram
World Subaru
World Volkswagen

District 12
All American Ford Subaru of Old Bridge
DCI Academy Honda
Hunter Jersey Peterbilt-Clarksburg
Oasis Chevrolet
Shrewsbury Motors

District 13
All American Chevrolet, Inc.
Buhrer Chrysler Jeep Dodge
Contemporary Motor Cars, Inc.
Pine Belt of Keyport
Stauff Motors, Inc.
Tom’s Ford
Werner’s Automotive, Inc.

District 14
Berger’s Truck Center-Hamilton
Davis Mitsubishi
Haldeman Ford of Hightstown
Haldeman Nissan
Hamilton Honda
Hamilton Mazda Volkswagen, Inc.
Perrine Buick GMC
Princeton BMW
Windsor Nissan

District 15
Coleman Auto Group, Inc.
Coleman Buick GMC Cadillac

Davis Hyundai
Greenfield Dodge Chrysler Jeep
Haldeman Ford
Lawrence Lexus
Lawrenceville Ford Lincoln
Mercedes-Benz of Princeton
Porsche of Princeton
Precision Acura
Princeton Chevrolet, Inc.
Sports & Specialist Cars, Inc.
Team Toyota of Princeton
Volvo of Princeton

District 16
Acme Nissan
Action Hyundai Mazda of 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
GM 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
Open Road Volkswagen of Bridgewater
Paul Miller Volkswagen of Bernardville
Princeton Audi
Princeton Mini
Princeton Volkswagen

District 17
DCI Brunswick Toyota
Gateway Kia of North Brunswick
Malouf Buick-GMC, Inc.
Malouf Chevrolet-Cadillac, Inc.
Malouf Ford-Lincoln, Inc.
Raritan Valley Truck Sales
Victory Subaru LLC

District 18
Bell Audi
Bentley Edison
Cambria Mack
Campbell Freightliners
Edison Nissan
Ferrari Maserati of Central NJ
HK Truck Services, Inc.
Lexus of Edison
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.
Dealership financial data (and other information cited in this report) was collected from information reported by New Jersey franchised automotive retailers in 2013. The information was sufficiently detailed to allow the formation of a statistically reliable database for financial and operational indicators.

The economic impact of the franchised automotive retail 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 franchised 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 franchised 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.

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