

2022 GEORGIA ECONOMIC IMPACT REPORT



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The Economic Impact
of Franchised New Car Dealerships
on the Georgia Economy

Introduction

This report provides an in-depth analysis of the economic impact of Georgia new car and truck dealers on the State's economy. It includes estimates of direct and indirect employment, personal income, and tax collections generated by Georgia automotive dealers. Also included is a review of dealership financial statistics and operations. This report was prepared by Auto Outlook, Inc., an independent automotive market analysis firm, and was sponsored by the Georgia Automobile Dealers Association.

President's Message



Lea Kirschner
President & CEO

This Automotive Industry Economic Impact Study has been conducted to show the significant contribution our industry makes to the Georgia economy.

The Georgia Automobile Dealers Association was formed in 1937 to represent the interests of new car and truck dealers in the state. The primary purpose then and now has been to make it as easy as possible for dealers and their customers to buy, sell, and maintain automotive vehicles.

Dealers provide tens of thousands of jobs to Georgia residents, and are an important component of the state's economy. Georgia franchised new vehicle dealers are very proud of their contributions to statewide economic growth and development.

PRIMARY CONCLUSIONS

Georgia Franchised New Vehicle Dealers Vital contributors to the state’s economy in 2022:

- Total jobs in Georgia attributable to franchised new vehicle dealerships..... 72,700**
- Number of jobs per new vehicle dealership 71
- Total earnings for Georgia residents attributable to dealership operations..... \$5.9 billion
- Average salary for dealership employees\$95,200**
- Average dealership payroll expense, including fringe benefits \$7.5 million
- Total state and local taxes collected or paid\$1.8 billion
- Total federal payroll taxes collected or paid..... \$914.1 million
- Total dealership sales, dollars \$37.2 billion
- Total dealership expenses, excludes cost of goods sold \$4.4 billion
- Total dealership contributions to charitable causes..... \$24.3 million

** Includes direct and indirect jobs
 **Includes commission employees

Dealership Profile

- Average dealership total sales during 2022 \$76.4 million.
- Average dealership expenses, excludes cost of goods sold..... \$9.1 million
- Average dealership advertising expenses\$687,000
- Average dealership contributions to charitable causes during 2022 \$49,800
- Average dealership new and used vehicle sales during 2022 1,265 units.

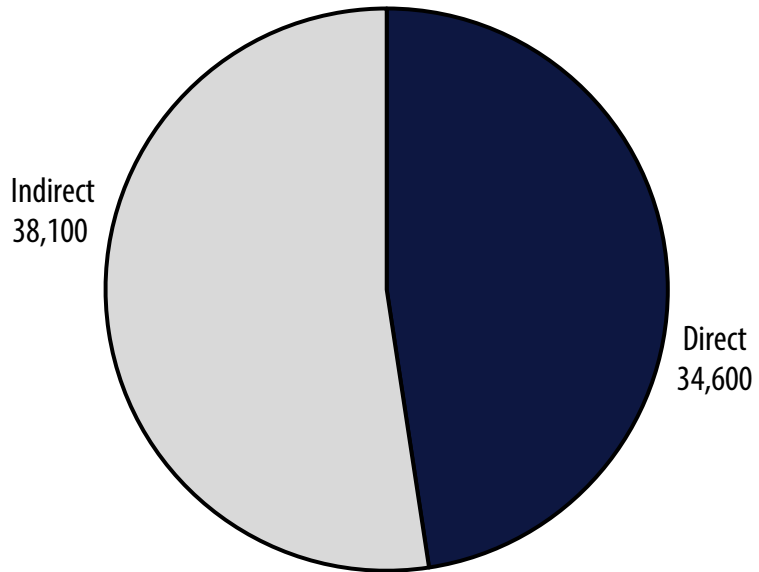
EMPLOYMENT AND MARKET SUMMARY

Employment totals for new vehicle retailing industry - 2022 (Direct: at dealerships; Indirect: elsewhere in economy)

In 2022, Georgia new vehicle dealerships directly employed a total of 34,600 individuals.

An additional 38,100 individuals were employed due to the indirect impact of dealership operations.

Automobile dealership operations accounted for 14.1% percent of total retail employment in the state. (This included both direct and indirect employment.)



Dealership Contribution to Retail Employment in Georgia - 2022	
Total employment resulting from auto dealerships	72,700
Total retail employment in Georgia	514,500
Dealership percent of state retail employment	14.1%

EMPLOYMENT AND MARKET SUMMARY

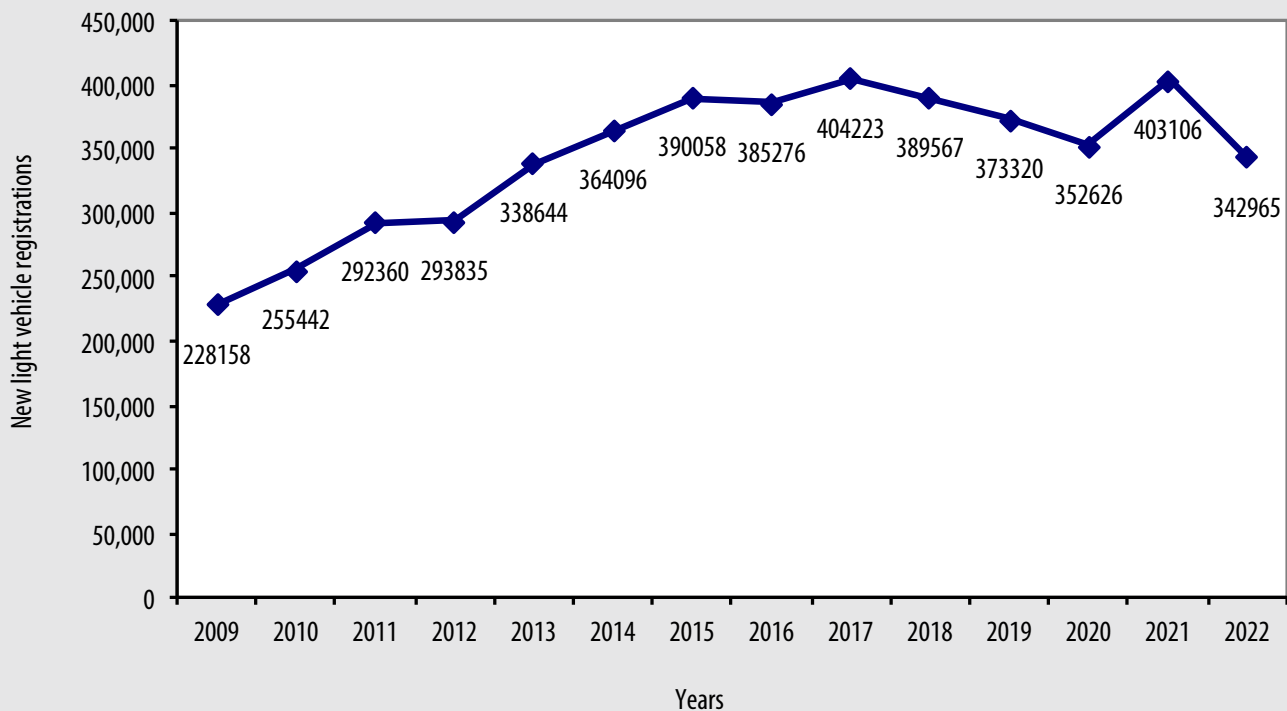
New Retail Car and Light Truck Registrations in Georgia - 2009 thru 2022

As shown on the graph, combined new retail car and light truck registrations in the state improved from 2009 thru 2017. Registrations declined in 2020 due to the pandemic, and fell 14.9% in 2022 as supply chain issues impacted vehicle production.



New retail registrations in state during 2022: 342,965

Data sourced from Experian Automotive.



PAYROLL AND TAXES

Employee compensation due to new vehicle retailing industry - 2022

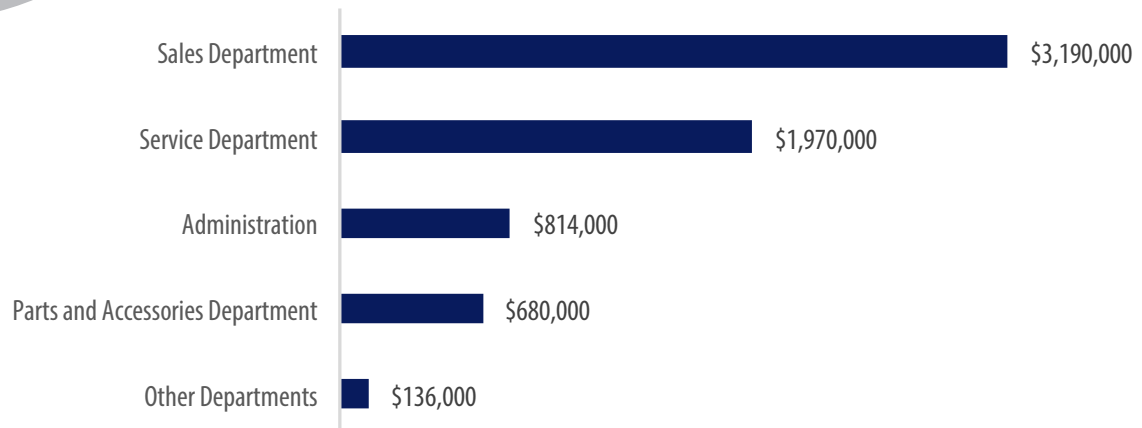
In 2022, the average Georgia dealership paid \$6,790,000 to its employees in salary and compensation and additional \$688,000 in fringe benefits. Including both direct and indirect sources, the new vehicle retailing industry resulted in nearly \$6 billion of total compensation to Georgia residents!



Total compensation at new car dealerships: \$3.64 billion

Industry Total	Direct	Indirect	TOTAL
Payroll	\$3,306,730,000	\$2,116,307,200	\$5,423,037,200
Fringe Benefits	\$335,056,000	\$207,734,720	\$542,790,720
TOTAL	\$3,641,786,000	\$2,324,041,920	\$5,965,827,920

Average Dealership Payroll Expense by Department



PAYROLL AND TAXES

Tax revenue generation - 2022

Total state and local taxes collected or paid by new car dealerships: \$1.78 billion



In 2022, new franchised automobile dealerships in Georgia collected or paid \$1.78 billion in state and local taxes, an average of nearly than \$3.65 million per dealership.

The industry was responsible for well over \$900 million in Federal Income and Payroll taxes.

*TAVT collections include revenue that is directed to both state and local governments.

Tax Category	Average Per Dealer	Industry Total
TAVT collected*	\$2,670,000	\$1,300,290,000
State Sales Tax collected	\$306,000	\$149,022,000
State/Local Payroll Taxes	\$356,000	\$173,372,000
Tag and Title Fees collected	\$138,000	\$67,206,000
Real Estate Taxes	\$135,000	\$65,745,000
Other Local Taxes/Fees	\$27,900	\$13,587,300
Other State Taxes	\$12,200	\$5,941,400
Lemon Law Fees collected	\$2,100	\$1,022,700
Georgia Total	\$3,647,200	\$1,776,186,400
Federal Payroll Taxes	\$1,877,000	\$914,099,000

DEALERSHIP SALES AND ADVERTISING

Departmental Sales (dollars) - 2022

Total sales for franchised new vehicle dealerships in Georgia during 2022 exceeded \$37 billion. Average dealership sales were \$76.4 million, with \$42.1 million resulting from new vehicle sales.



Total sales by new car dealerships in 2022: **\$37.2 billion**

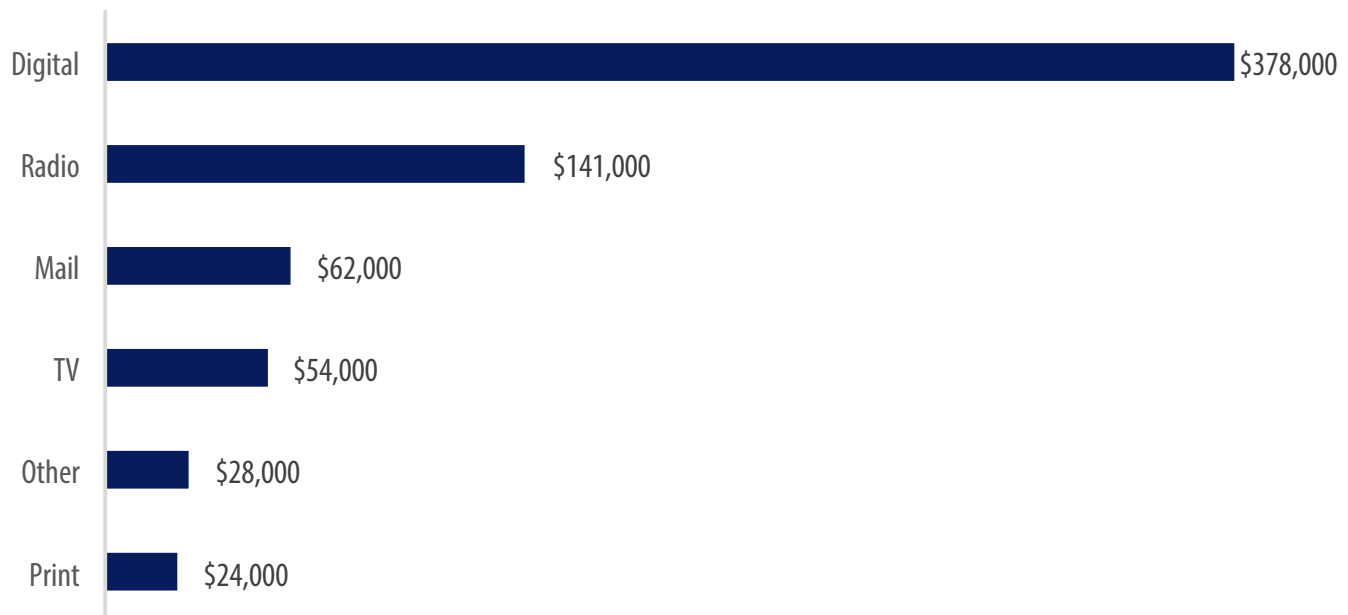
Department	Average Per Dealer	Auto Retailing Industry Total
New vehicle	\$42,100,000	\$20,502,700,000
Used vehicle	\$23,600,000	\$11,493,200,000
Service and parts	\$9,900,000	\$4,821,300,000
Other	\$800,000	\$389,600,000
Total	\$76,400,000	\$37,206,800,000

DEALERSHIP SALES AND ADVERTISING

Average dealership advertising expenses in 2022 were \$687,000. Total for the industry exceeded \$335 million. The majority of expenditures were devoted towards digital media.



Average Dealership Advertising Expenditures by Media Category - 2022



ELECTRIC VEHICLES

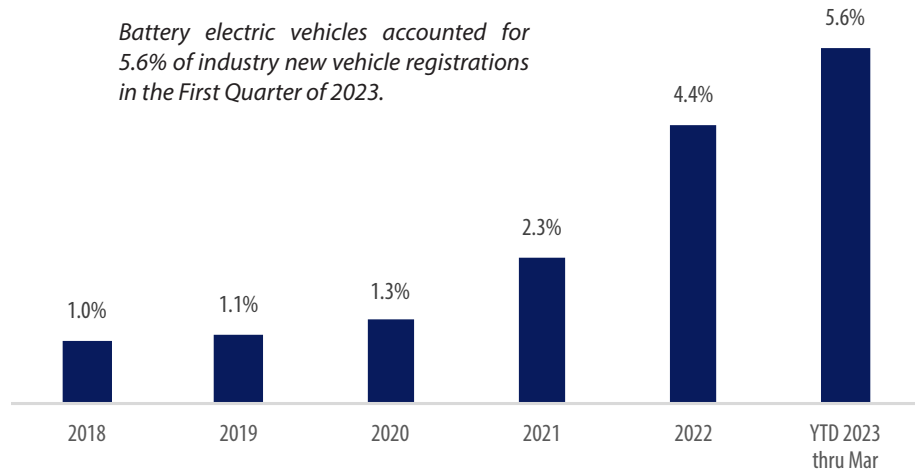
Georgia franchised new vehicle dealerships:
Powering the way to an electric future

Battery electric vehicle (BEV) sales in Georgia are growing and franchised dealerships are accounting for a significantly larger share of the market:



BEV Share of Georgia New Retail Light Vehicle Market

Battery electric vehicles accounted for 5.6% of industry new vehicle registrations in the First Quarter of 2023.



Franchised Dealership Share of State BEV Market in 2018:

20.4%

Franchised Dealership Share of State BEV Market in 1Q '23:

35.6%

Data sourced from Experian Automotive.

ELECTRIC VEHICLES

Dealerships are making large scale investments to prepare for the sale and service of electric vehicles:

Average number of electric vehicle chargers installed at new vehicle dealerships by the end of 2023:

▶ 3.9

Total estimated dealership expenses during 2023 to prepare for the sale and service of electric vehicles:

\$99,835,000

Estimated EV-related expenses in 2023 by category:

Category	Average Per Dealer	Auto Retailing Industry Total
Chargers	\$100,000	\$48,700,000
Charging infrastructure	\$50,000	\$24,350,000
Building modifications	\$24,000	\$11,688,000
Sales training	\$12,000	\$5,844,000
Special equipment	\$11,000	\$5,357,000
Service training	\$8,000	\$3,896,000
TOTAL	\$205,000	\$99,835,000



Background and 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 Georgia. 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 Georgia 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 computer models. Indirect economic estimates in this report are intentionally conservative, and therefore, may underestimate the overall contribution automotive retailers make to the Georgia 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 in 1985, and has conducted many research projects analyzing state and regional economies.

About GADA

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