

2024

ECONOMIC IMPACT STUDY



ECONOMIC IMPACT OF FRANCHISED NEW VEHICLE
RETAILERS ON THE WEST VIRGINIA ECONOMY

Study sponsored by West Virginia Automobile Dealers Association
Confidential 2024 Report Compiled from 2023 Data



PRESIDENT'S MESSAGE



Jared Wyrick
WVADA President

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

The West Virginia Automobile Dealers Association was formed in 1933 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 thousands of jobs to West Virginia residents, and they are an important component of the state's economy. West Virginia franchised new vehicle dealers are very proud of their contributions to economic growth and development throughout the state.



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The mission of the West Virginia Automobile Dealers Association is to encourage sound business policies, facilitate the exchange of ideas among our members, foster progressive legislation, cooperate with other motor vehicle trade associations, and promote confidence, respect, and good fellowship among all of those directly or indirectly engaged in the motor vehicle industry.

INTRODUCTION

Auto Outlook Info

This report provides an in-depth analysis of the economic impact of West Virginia 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 West Virginia 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 West Virginia Automobile Dealers Association.



WEST VIRGINIA FRANCHISED NEW VEHICLE DEALERS VITAL CONTRIBUTORS TO THE STATE'S ECONOMY IN 2023:

Total jobs in West Virginia attributable to franchised new vehicle dealerships.	14,800
Average number of jobs per new vehicle dealership	52
Total earnings for West Virginia residents attributable to dealership operations	\$899 million
Average salary for dealership employees.	\$64,500
Total state and local taxes collected or paid	\$484 million
Total federal payroll taxes collected or paid.	\$129 million
Total dealership sales (dollars).	\$8.2 billion
Number of franchised new vehicle dealerships	148
Total dealership expenses (excluding cost of goods sold).	\$889 million
Total dealership contributions to charitable causes	\$9.1 million
Total dealership advertising expenses.	\$90 million

Dealership Profile

- Average dealership total sales during 2023: \$55.1 million.
- Average dealership expenses (excluding cost of goods sold): \$6,000,000
- Average dealership advertising expenses: \$608,000
- Average dealership contributions to charitable causes during 2023: \$61,400.
- Average dealership new and used vehicle sales during 2023: 765 units.

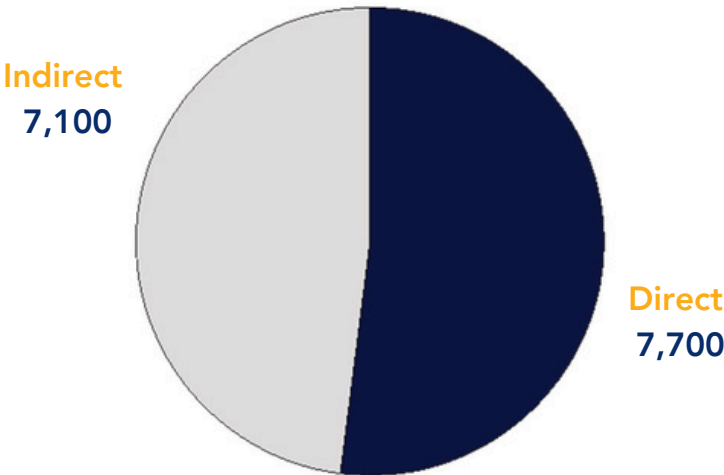
Total employment at new
car and truck dealerships:
7,700

In 2023, West Virginia new vehicle dealerships directly employed a total of 7,700 individuals.

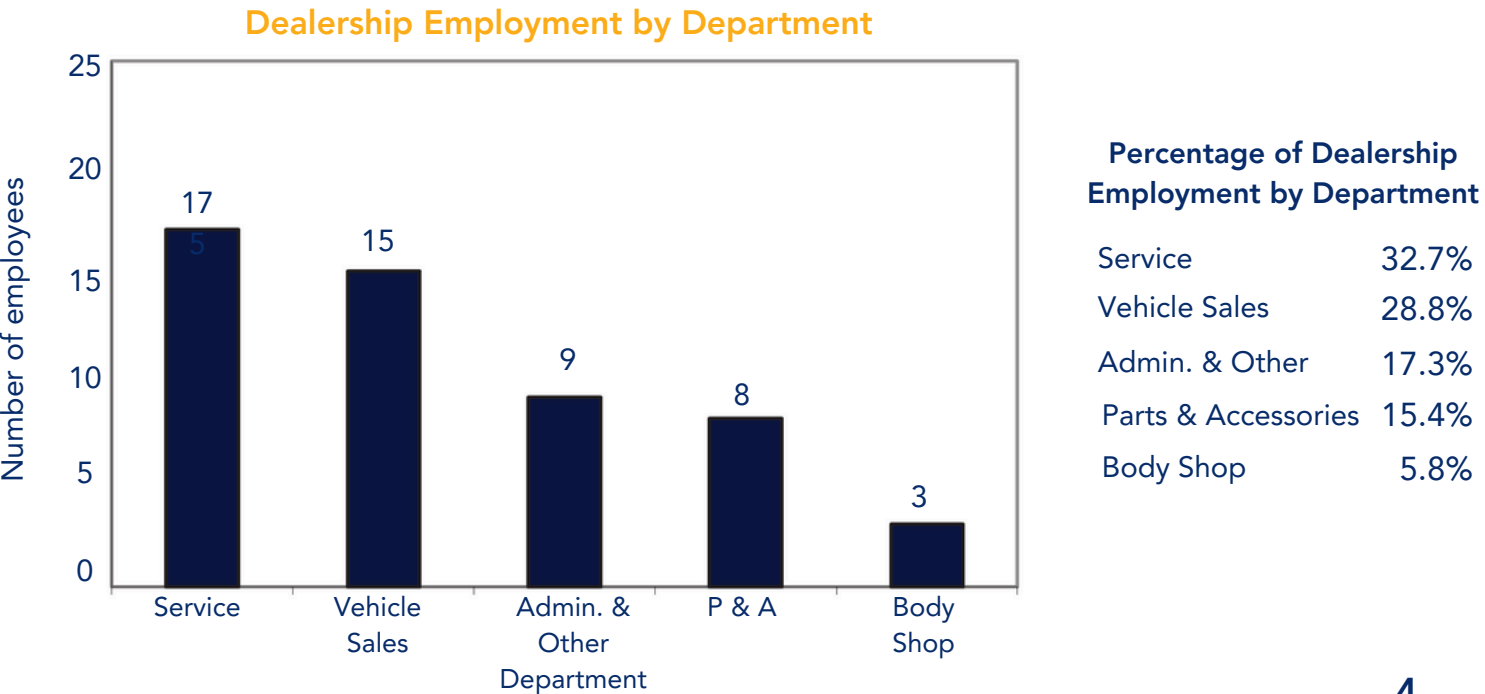
An additional 7,100 individuals were employed due to the indirect impact of dealership operations.

Automobile dealership operations accounted for 19.0% percent of total retail employment in the state. (This included both direct and indirect employment.)

Employment totals for new vehicle retailing industry - 2023
(Direct: at dealerships; Indirect: elsewhere in economy)



Dealership Contribution to Retail Employment in West Virginia - 2023	
Total employment resulting from auto dealerships	14,800
Total retail employment in West Virginia	77,900
Dealership percent of State retail employment	19.0%



Total state and local taxes collected or paid by new car dealerships:

\$484M

In 2023, new franchised automob-ile dealerships in West Virginia collected or paid an estimated \$484 million in state and local taxes, an average of \$3,270,000 per dealership. Federal payroll taxes for the industry exceeded \$128 million.

Tax Category	Average Per Dealer	Industry Total
State Sales Tax Collected	\$2,870,000	\$424,760,000
State and Local Payroll Taxes	\$155,000	\$22,940,000
Real Estate and Other Local Taxes	\$245,000	\$36,260,000
West Virginia Total	\$3,270,000	\$483,960,000
Federal Payroll Taxes	\$870,000	\$128,760,000

Employee compensation due to new vehicle retailing industry - 2023:

\$545 million

Average Dealership Payroll	Direct
Payroll	\$3,360,000
Fringe Benefits	\$320,000
TOTAL	\$3,680,000

In 2023, the average West Virginia dealership paid nearly \$3.7 million to its employees (including fringe benefits). Including both direct and indirect sources, the new vehicle retailing industry resulted in nearly \$900 million of total compensation to West Virginia residents!

Industry Total	Direct	Indirect	TOTAL
Payroll	\$497,280,000	\$323,232,000	\$820,512,000
Fringe Benefits	\$47,360,000	\$30,784,000	\$78,144,000
TOTAL	\$544,640,000	\$354,016,000	\$898,656,000

Department Sales (dollars) - 2023

Total sales for franchised new vehicle dealerships in West Virginia during 2023 exceeded \$8 billion. Average dealership sales were \$55.1 million, with \$32.6 million resulting from new vehicle sales.

Total sales by new car dealerships in 2023:
\$8.2 Billion

Department	Average Dealer	Auto Retailing Industry Total
New Vehicle	\$32,690,000	\$4,838,120,000
Used Vehicle	\$16,000,000	\$2,368,000,000
Service & Parts	\$6,100,000	\$902,800,000
Other	\$310,000	\$45,880,000
TOTAL	\$55,100,000	\$8,154,800,000

New Retail Car and Light Truck Registrations in West Virginia - 2019 thru 2023

New retail registrations
in state during 2023: **68,633**



As shown on the graph, combined new retail car and light truck registrations in the state declined sharply in 2020 due to the pandemic, improved in 2021, and then fell in 2022 as supply chain issues impacted vehicle production. Registrations should remain well below 2019 levels in 2023 and 2024.

Data sourced from Experian Automotive.

Franchised Dealership Share
of State BEV Market in 2019: **19.4%**

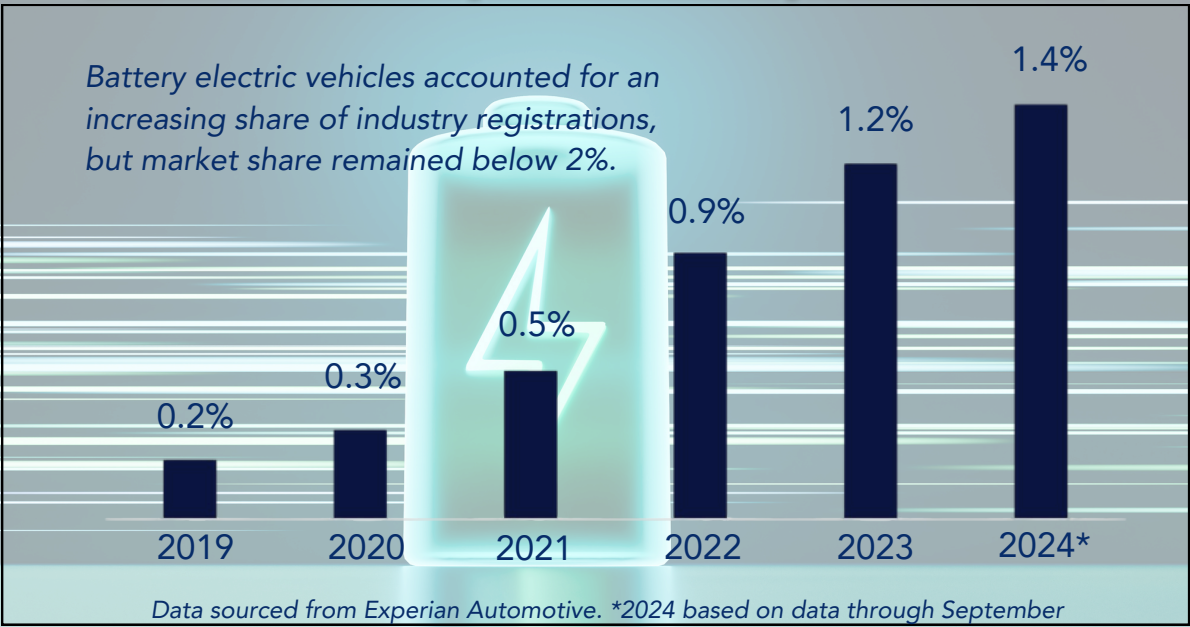
Franchised Dealership Share of
State BEV Market, YTD '24 (Sep.): **52.3%**

West Virginia franchised new vehicle dealerships:

Powering the way to an electric future

Battery electric vehicle (BEV) sales in West Virginia increased steadily between 2018 and 2023, but market share remained below 2%. Franchised dealerships are accounting for a significantly larger share of the market:

BEV Share of West Virginia New Retail Light Vehicle Market



Total estimated dealership expenses during 2024 to
prepare for the sale and service of electric vehicles: **\$17,464,000**

EV-related expenses by category:

Department	Average Per Dealer	Auto Retailing Industry Total
Charges	\$77,900	\$11,529,200
Charges infrastructure	\$19,000	\$2,812,000
Special equipment	\$9,900	\$1,465,200
Building modifications	\$6,300	\$932,400
Training	\$4,900	\$725,200
TOTAL	\$118,000	\$17,464,000

STUDY SPONSORED BY

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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 West Virginia. 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 West Virginia economy.

The indirect economic impact of automotive retailers was estimated by Auto Outlook, Inc. 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.