



## NADA Issues State of the Auto Industry Report

**McLEAN, Va. (June 22, 2011)** – The financial performance of new-car and -truck dealerships improved in 2010 despite a slow economic recovery, says Paul Taylor, chief economist of the National Automobile Dealers Association (NADA), in the trade group's latest report on the state of the industry.

New-car dealerships on average employed 50 people with an annual payroll of about \$2.6 million in 2010, an increase from 2009, according to *NADA DATA 2011*, an analysis of the U.S. car and truck industry with an emphasis on auto retailing.

"New-car dealerships improved their profitability in 2010 through strict cost control, such as reducing rent and real estate costs, cutting advertising expenses and maintaining lower floorplan costs," Taylor said. "However, the difficult economic recovery and brands leaving the marketplace caused 760 dealerships to close in 2010."

Net dealership profitability before taxes increased to 2.1 percent in 2010 from 1.5 percent in 2009, the report said. New- and used-vehicle sales (in dollars) per dealership on average were up about 19 percent and 21 percent, respectively, in 2010.

"Franchised dealers are major employers and significant contributors to their communities' economies, tax bases and civic and charitable organizations," Taylor added.

Medium- and heavy-duty truck dealerships saw unit sales increase by 9 percent in 2010, as inventories of goods that required transport were rebuilt in a wide range of U.S. industries, the report said.

**Click here** for the full report.

### **About NADA**

NADA, founded in 1917, represents nearly 16,000 new-car and -truck dealerships operating about 32,500 franchises, both domestic and international. For more information, visit [www.nada.org](http://www.nada.org).

## **About ATD**

Founded in 1970, the ATD division of NADA is the only national organization representing dealers selling and servicing new medium- and heavy-duty trucks. For more information, visit [www.atd.org](http://www.atd.org).

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