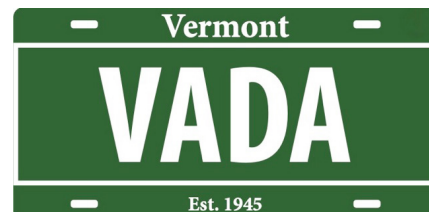


# 2023 Vermont Economic Impact Report

## The Economic Impact of Franchised New Car Dealerships on the Vermont Economy



**Sponsored by:**



## Management Director's Message

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

The Vermont Automobile Dealers Association was formed in 1945 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 Vermont residents, and are an important component of the state's economy. Vermont franchised new vehicle dealers are very proud of their contributions to economic growth and development throughout.

Matt Cota  
Management Director  
Vermont Vehicle and Automotive Distributors Association

## Introduction

This report provides an in-depth analysis of the economic impact of Vermont 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 Vermont 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 Vermont Vehicle and Automotive Distributors Association.

### Vermont Vehicle and Automotive Distributors Association

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## Vermont Franchised New Vehicle Dealers Vital contributors to the state’s economy in 2023:

- Number of franchised new vehicle dealerships .....83
- Total jobs in Vermont attributable to franchised new vehicle dealerships.....6,200
- Number of jobs per new vehicle dealership .....39
- Total earnings for Vermont residents attributable to dealership operations ..... \$484.1 million
- Average salary for dealership employees ..... \$82,300
- Total state and local taxes collected or paid ..... \$160.6 million
- Total federal taxes collected or paid.....\$75.4 million
- Total dealership sales..... \$3.41 billion
- Total dealership expenses ..... \$396.3 million
- Total dealership expenditures on capital improvements .....\$21.2 million
- Total expenditures in 2023 and 2024 to prepare for the sale and service of electric vehicles ....\$18.5 million
- Total dealership contributions to charitable causes ..... \$2 million
- Total dealership advertising expenses.....\$29.0 million

## Dealership Profile



- Average dealership total sales during 2023: \$41.1 million
- Average dealership expenditures on capital improvements: \$255,000
- Average dealership advertising expenses: \$350,000
- Average dealership contributions to charitable causes during 2023: \$23,800.
- Average dealership new and used vehicle sales during 2023: 810 units
- Average expenditures in 2023 and 2024 to prepare for the sale and service of electric vehicles: \$223,000

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



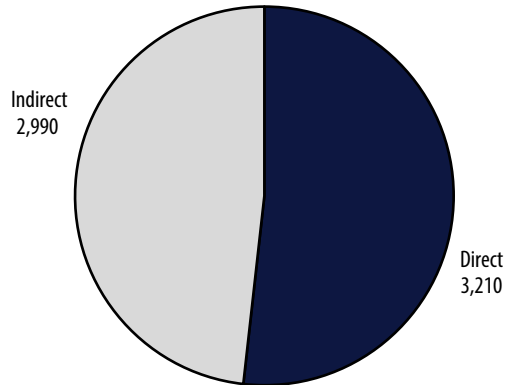
Total employment at new car dealerships:

**3,210**

In 2023, Vermont new vehicle dealerships directly employed an estimated total of 3,210 individuals.

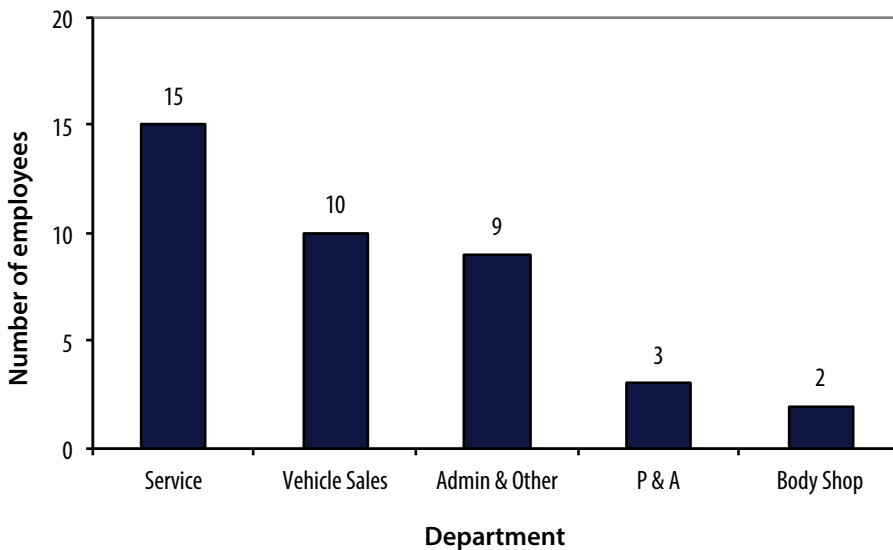
An additional 2,990 individuals were employed due to the indirect impact of dealership operations.

Automobile dealership operations accounted for 17.5 percent of total retail employment in the state. (This included both direct and indirect employment.)



<b>Dealership Contribution to Retail Employment in Vermont - 2023</b>	
Total employment resulting from auto dealerships	6,200
Total retail employment in Vermont	35,400
<b>Dealership percent of State retail employment</b>	<b>17.5%</b>

**Dealership employment by department**



<b>Percentage of Dealership Employment by Department</b>	
Service	38.5%
Vehicle Sales	25.6%
Admin & Other	23.1%
P & A	7.7%
Body Shop	5.1%

## Estimated employee compensation due to new vehicle retailing industry - 2023



Total compensation at new car dealerships:  
**\$293.4 million**

In 2023, the average Vermont dealership paid more than \$3.5 million to its employees (including fringe benefits). Including both direct and indirect sources, the new vehicle retailing industry resulted in more than \$484 million of total compensation to Vermont residents!

Industry Total	Direct	Indirect	TOTAL
Payroll	\$266,430,000	\$173,179,500	\$439,609,500
Fringe Benefits	\$26,975,000	\$17,533,750	\$44,508,750
<b>TOTAL</b>	<b>\$293,405,000</b>	<b>\$190,713,250</b>	<b>\$484,118,250</b>

Average Dealership Payroll	Direct
Payroll	\$3,210,000
Fringe Benefits	\$325,000
<b>TOTAL</b>	<b>\$3,535,000</b>

## Estimated Tax revenue generation - 2023



Total state and local taxes collected or paid by new car dealerships:  
**\$160.6 million**

In 2023, new franchised automobile dealerships in Vermont collected or paid an estimated \$160.6 million in state and local taxes, an average of more than \$1.93 million per dealership. Federal payroll taxes for the industry exceeded \$72 million.

Tax Category	Average Per Dealer	Industry Total
State sales and use taxes collected	\$1,730,000	\$143,590,000
State employee taxes	\$142,000	\$11,786,000
Property taxes	\$58,000	\$4,814,000
Other state taxes	\$5,500	\$456,500
<b>Vermont Total</b>	<b>\$1,935,500</b>	<b>\$160,646,500</b>
Federal payroll taxes	\$870,000	\$72,210,000
Federal business income taxes	\$38,600	\$3,203,800

## Estimated departmental sales (dollars) - 2023



Total sales by new car dealerships in 2023:  
**\$3.41 billion**

Total sales for franchised new vehicle dealerships in Vermont during 2023 exceeded \$3.4 billion. Average dealership sales were \$41.1 million, with more than \$23 million resulting from new vehicle sales.

Department	Average Per Dealer	Auto Retailing Industry Total
New vehicle	\$23,350,000	\$1,938,050,000
Used vehicle	\$12,000,000	\$996,000,000
Service and parts	\$5,600,000	\$464,800,000
Other	\$150,000	\$12,450,000
<b>Total</b>	<b>\$41,100,000</b>	<b>\$3,411,300,000</b>

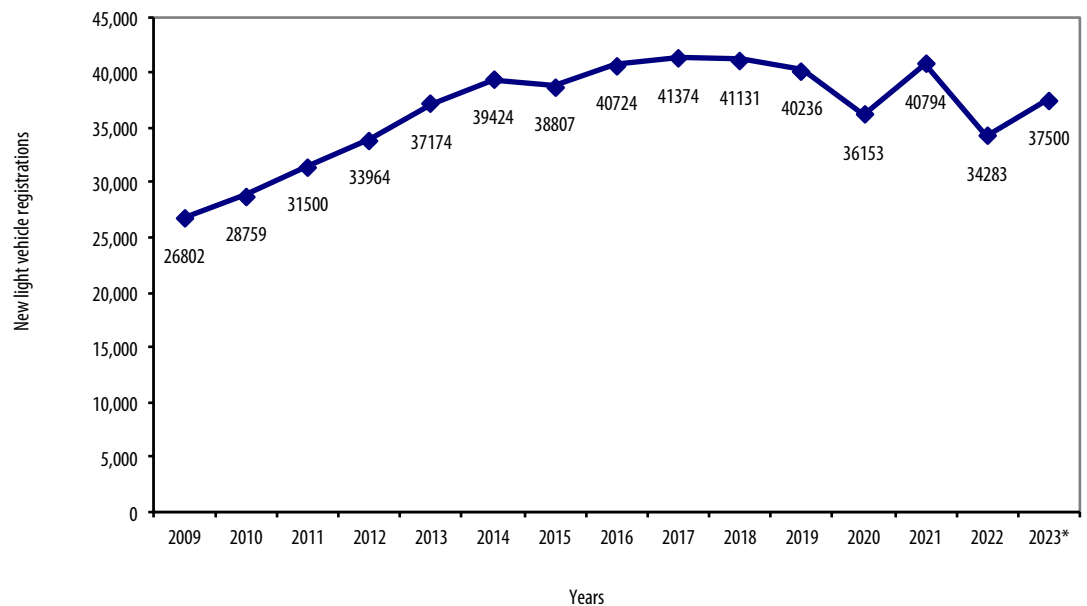
## New Retail Car and Light Truck Registrations in Vermont - 2009 thru 2023



New retail registrations in state during 2023\*:  
**37,500**

As shown on the graph, combined new retail car and light truck registrations in the state improved from 2009 thru 2014 and remained above 40,000 units between 2016 and 2019. Registrations declined by 10.1% in 2020 due to the pandemic, and fell 15.9% in 2022 as supply chain issues impacted vehicle production. Recovering inventories contributed to the increase in 2023.

Data sourced from Experian Automotive.  
\*2023 total estimated based on 11 months of actual data.



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



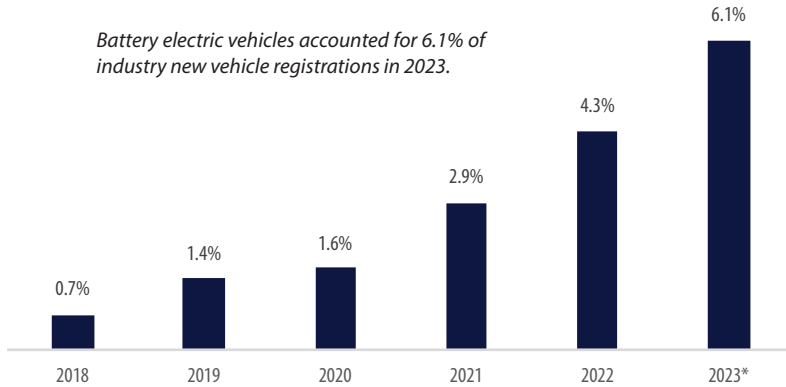
**Battery electric vehicle (BEV) sales in Vermont are growing and franchised dealerships are accounting for a significantly larger share of the market:**

### BEV Share of Vermont New Retail Light Vehicle Market

Battery electric vehicles accounted for 6.1% of industry new vehicle registrations in 2023.

Franchised Dealership Share of State BEV Market in 2018: **52.6%**

Franchised Dealership Share of State BEV Market in 2023\*: **71.7%**



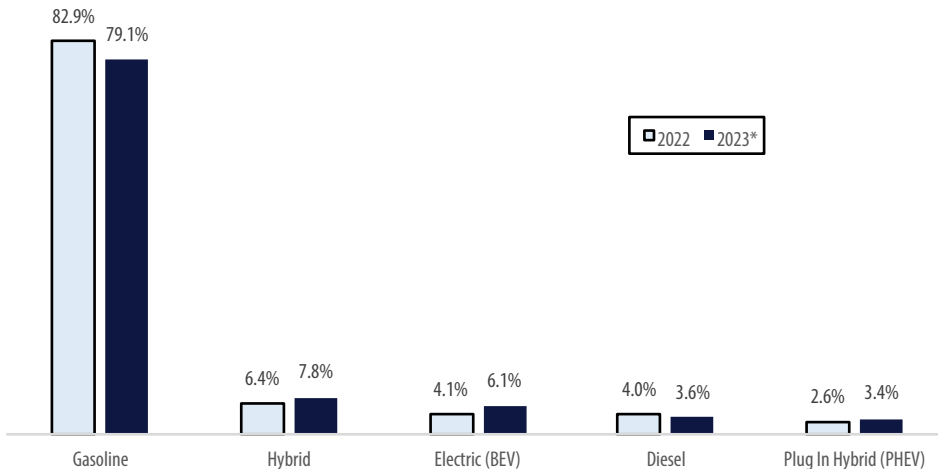
Data sourced from Experian Automotive. \*2023 figure estimated based on 11 months of actual data.

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

Total estimated dealership expenses in 2023 and 2024 to prepare for the sale and service of electric vehicles:

**\$18,509,000**

### Share of Vermont New Retail Light Vehicle Market by Type of Powertrain 2022 and 2023\*



Market share for gasoline powered vehicles was nearly 80% in 2023, but declined by nearly four share points from 2022. Combined share for hybrids, electrics, and plug in hybrids increased from 13.1% in 2022 to 17.3% in 2023.

Data sourced from Experian Automotive. \*2023 figure estimated based on 11 months of actual data.

## 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 Vermont. Additional data source: Bureau of Labor Statistics and National Automobile Dealers Association. 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 Vermont 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 Vermont 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 and has conducted many research projects analyzing state and regional economies.



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