

2022 ECONOMIC IMPACT REPORT

THE CONTRIBUTIONS OF SAN DIEGO COUNTY
FRANCHISED NEW CAR DEALERS



NEW CAR
DEALERS ASSOCIATION
SAN DIEGO COUNTY

REGIONAL ECONOMIC GENERATOR

Despite inventory-related setbacks, San Diego County's Franchised New Car Dealers continued to be a substantial regional economic generator in 2021, actually showing improvements in nearly every category over 2020. Sales of new and used vehicles rebounded from last year's decline, and combined with revenue increases from service and parts sales, total dealership sales reached \$13.9 billion. The extraordinary economic impact of San Diego County's franchised new car dealers is spread throughout the region. There are dealerships in every major municipality, including: Carlsbad, Chula Vista, El Cajon, Encinitas, Escondido, La Jolla, La Mesa, Lemon Grove, National City, Oceanside, Pacific Beach, Poway, San Diego and Vista. San Diego County dealers employed nearly 13,000 full and part time employees in 2021 with a payroll exceeding \$1 billion for the first time. Additionally, dealers made purchases from other California businesses totaling more than \$242 million.

2021 SAN DIEGO COUNTY DEALERSHIP SALES: \$13.9 BILLION

New Vehicle Sales:	\$7,840,630,476
Used Vehicle Sales:	\$3,650,652,684
Parts & Accessories:	\$939,414,294
Service Department:	\$681,382,170
Finance & Insurance:	\$533,132,460
Other Departments:	\$248,802,372

Emerging from the Coronavirus and yet challenged by inventory shortages, franchised new car dealers increased overall dealership sales, exceeding pre-pandemic levels. Dealers continued to draw consumers to dealerships to purchase a widening range of new and redesigned models as they replaced existing vehicles. New vehicle sales increased by \$1.5 billion in 2021 vs. 2020 (including fleet sales). Sales of pre-owned vehicles were up by over \$900 million last year as well.



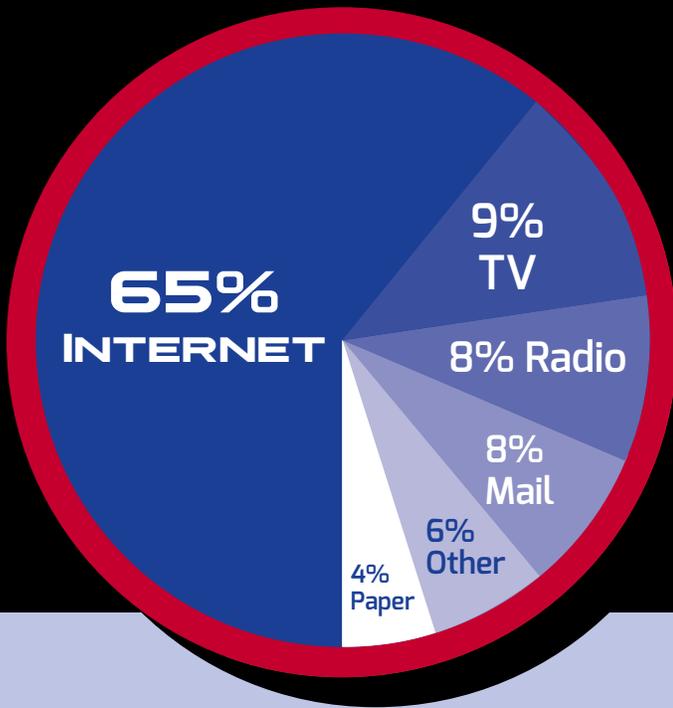
CHARITABLE CONTRIBUTIONS: \$3.5 MILLION

For decades San Diego County's franchised new car dealers have financially supported a wide range of local organizations with annual donations. In 2021, dealers contributed a record \$3.5 million to benefit the San Diego County community. Additionally, individual dealerships support youth sports teams and civic organization throughout the county, and several dealers serve on boards of directors for local and regional charities, schools and other non-profit organizations.

EMPLOYMENT & PAYROLL: \$1.1 BILLION

Franchised new car dealers serve as one of the region's largest sources of employment in San Diego County. In addition, 98% of new car dealers provide access to health care benefits for their employees and their families. Most important, the jobs created at the county's franchised new car dealerships remain in San Diego County, and provide substantial economic benefits for the region as a whole. Dealers employed nearly 13,000 full-time and part-time employees in San Diego County, and employee payrolls reached a record \$1.1 billion, an increase of \$128 million over last year. Correspondingly, worker's compensation premiums paid by dealers topped \$15 million.

• Full-time employees:	12,348
• Part-time employees:	630
• Payroll:	\$1,077,628,482
• Worker's Compensation Premiums Paid:	\$14,447,160



DEALERSHIP ADVERTISING: \$120 MILLION

Another significant financial contribution to the region's economy by franchised new car dealers is advertising. Last year dealers spent more than \$120 million to advertise their dealerships, which is an increase of \$7 million as compared to 2020. Internet advertising led all categories as a percentage of advertising expenditures for the ninth consecutive year.

TAXES & FEES PAID BY DEALERSHIPS: \$1.2 BILLION

Annually, San Diego County's franchised new car dealerships collect and pay hundreds of millions of dollars in taxes and fees, with 2021 reaching \$1.2 billion for the first time. These include federal and state payroll taxes, real estate taxes, state sales tax, and numerous state and local

State Sales Tax:	\$793,638,468
Federal Payroll Taxes:	\$276,502,590
State Payroll Taxes:	\$66,568,698
Real Estate Taxes:	\$28,129,374
Other Taxes/Fees:	\$5,386,878
Total:	\$1,170,226,008

FRANCHISED NEW CAR DEALERS AN ECONOMIC ENGINE FOR SAN DIEGO COUNTY

Even during a pandemic and facing unprecedented inventory challenges, San Diego County's franchised new car dealers play a major role in driving the region's economy by providing employment, health care benefits and sales tax revenue. The following data showcases the measurable economic impact and financial contributions in 2021 by San Diego County's franchised new car dealers.

DEALERSHIP SALES

Total Dealership Sales:	\$13,894,014,456
New Vehicle Sales:	\$7,840,630,476
Used Vehicle Sales:	\$3,650,652,684
Parts & Accessories:	\$939,414,294
Service Department:	\$681,382,170
Finance & Insurance:	\$533,132,460
Other Departments:	\$248,802,372

DEALERSHIP EMPLOYMENT

Full-time & part time employees:	12,978
Payroll:	\$1,077,628,482
Worker's compensation premiums:	\$14,447,160

DEALERSHIP PURCHASING

Purchases from CA businesses:	\$242,523,792
Local Advertising:	\$120,026,088

DEALERSHIP TAXES & FEES

Total Dealership Taxes:	\$1.2 Billion
State Sales Tax:	\$793,638,468
Federal Payroll Taxes:	\$276,502,590
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ELECTRIC VEHICLES

San Diego's franchised new car dealers are all-in on EVs, having spent \$1.7 million on EV charging infrastructure in 2021. This investment is expected to increase to \$6.5 million in 2022, as EV sales increase from 3.4% to a projected 8.9% of new vehicle sales in San Diego County.

The New Car Dealers Association® San Diego County (NCDA) prepared the 2020 Economic Impact Report which highlights the significant financial and employment contributions generated by San Diego County's franchised new car dealers to the region's economy. Auto Outlook, Inc., an independent automotive analysis firm, collects the data presented in this report.