

February 5, 2013

## **Auto Dealers Expect Sales Growth in 2013, Chase Auto Finance Survey Finds**

### **More than 60 percent of auto dealers are likely to expand their payroll, hire full-time staff this year**

**GARDEN CITY, N.Y., February 5, 2013** - Automotive dealers expect an increase in sales in 2013, according to a new survey from Chase Auto Finance. The *Chase Auto Finance Dealer Survey*, which reveals dealers' 2013 expectations on hiring, financing, auto industry trends and the U.S. and local economy, also found that an overwhelming majority of dealers believe the auto industry and their own dealership businesses are improving and primed for growth.

#### **Green Lights Ahead for Sales**

Nearly half (45 percent) of auto dealers surveyed expect sales growth between five to 10 percent this year, while 22 percent expect sales to increase 11 to 15 percent. Another ten percent anticipate sales to increase 16 to 20 percent and five percent of auto dealers are planning sales growth of 20 percent or more in 2013.

Specifically, auto dealers expect new and pre-owned sales growth in 2013. Two-thirds (67 percent) anticipate new sales to increase, while 73 percent of dealers expect growth in pre-owned sales. Additionally, dealers expect healthy increases in service sales (49 percent), service contract/warranty sales (48 percent) and leases (42 percent).

#### **Sedans Are Top Choice for Americans**

More than half of dealers (57 percent) say the sedan will be the top selling type of automobile in 2013. Trucks (17 percent) are a distant second, followed by crossover vehicles (13 percent) and SUVs (9 percent). The trends look similar for fleet sales, which are an important indicator for economic growth. Dealers who also participate in fleet sales (44 percent) said the sedan is expected to fuel sales growth (53 percent), followed by trucks (47 percent), crossover vehicles (20 percent) and SUVs (20 percent).

#### **Dealers Optimistic About the Economy**

More than three in four (77 percent) auto dealers surveyed believe their dealership business is improving, and 68 percent believe the economy in their local community is strengthening. As for the national economy, nearly a third of dealers (32 percent) believe the national economy will start getting better later this year and more than half (52 percent) said not until after 2013.

"Automobile purchases continue to be a leading indicator of economic activity, and our survey reveals solid optimism for growth in 2013," said Marc Sheinbaum, CEO of Chase Auto Finance. "Buying or leasing a new car is an investment that individuals and companies make not only by necessity, but also when they feel good about the stability of their financial future. These results affirm what we saw in the second-half of 2012 and have already seen in 2013. Sales are improving and dealers are investing in their businesses and hiring more people as they prepare for growth."

#### **Help Wanted**

More than 60 percent of dealers are likely to expand their inventory in the next six months. As dealerships expand, they also expect to create more jobs. Of the more than three in five (62 percent) of dealers who say they are "very" or "somewhat" likely to expand their payrolls in 2013:

- More than a third (35 percent) say they expect to hire three to five full-time employees this year;
- Nearly three in ten (28 percent) expect to hire more than six employees; and
- Twenty-eight percent expect to hire one or two employees.

While dealers are looking to hire and expand inventories, they are less likely to seek financing to fund their expansion plans. More than six in ten dealers (65 percent) say they are "somewhat" or "very" unlikely to seek financing. Of the 27 percent who will seek financing to increase their floorplans, one in four (29 percent) will expand their dealerships or remodel their existing facilities.

#### **About Chase Auto Finance Dealers Survey**

The inaugural *Chase Auto Finance Dealer Survey* was an online poll conducted between January 9 and January 23, 2013 among 200 auto dealers (Dealer Principals) across the country. Auto Dealers were drawn from Chase Auto Finance's national customer base. The survey was administered internally and data was collected in aggregate.

#### **About Chase Auto Finance**

Chase Auto Finance, a division of J.P. Morgan Chase (JPMC), is one of the leading bank providers of auto financing in the country. With a portfolio of more than \$49 billion in assets and relationships with more than 75 percent of all U.S. franchised automotive dealers, Chase Auto Finance provides a broad spectrum of products to meet the full range of credit needs of their customers. Chase Auto Finance purchases auto loans and leases from a national network of automotive dealers as well as making auto loans directly to consumers through various Chase channels. In addition, Chase Auto Finance provides commercial loans to auto dealers throughout the U.S. and maintains a reputation for delivering high-quality services as well as a long-term commitment to auto dealers and the overall auto industry. More information can be found at [www.chaseautofinance.com](http://www.chaseautofinance.com).