

2023 Nevada Economic Impact Report

The Economic Impact of Franchised New Car Dealerships on the Nevada Economy



Sponsored by:



Director's Message



Andrew MacKay
Executive Director
NFADA

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

The Nevada Franchised Auto Dealers Association was formed in 1962 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 Nevada residents, and are an important component of the state's economy. Nevada franchised new vehicle dealers are very proud of their contributions to statewide economic growth and development.

Introduction

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

Nevada Franchised Auto Dealers Association

PO Box 7320
Reno, NV 89510-7320

775-331-6884
Email: nfada@nfada.net



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

- Total jobs in Nevada attributable to franchised new vehicle dealerships.16,116
- Number of jobs per new vehicle dealership 96
- Total earnings for Nevada residents attributable to dealership operations \$1.8 billion
- Average annual salary per dealership employee. \$98,230
- Total state and local taxes collected or paid \$924.2 million
- Total federal payroll taxes collected or paid \$305.1 million
- Total dealership sales (dollars). \$12.7 billion
- Total dealership expenses (excludes cost of goods sold) \$1.5 billion
- Total dealership contributions to charitable causes \$6.6 million

Dealership Profile



Dealership Summary - 2023

- Average dealership total sales \$109.3 million
- Average dealership payroll expense (including fringe benefits). \$10.3 million
- Average dealership advertising expenses \$995,000
- Average dealership expenditures on capital improvements (2022 and 2023 combined) . . . \$525,000
- Average dealership contributions to charitable causes: \$56,500
- Average dealership new and used vehicle sales. 1,930 units
- Average number of vehicles serviced by dealerships 23,800

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



Total employment at new car dealerships:

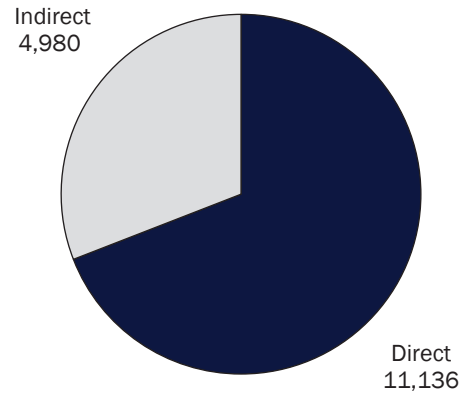
11,136

In 2023, Nevada new vehicle dealerships directly employed a total of 11,136 individuals.

The average dealership employed 96 people.

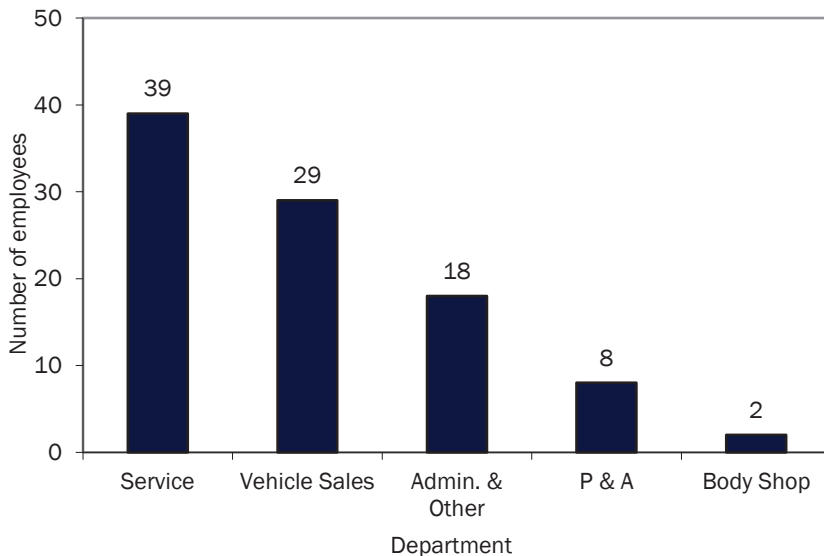
An additional 4,980 individuals were employed due to the indirect impact of dealership operations.

Automobile dealership operations accounted for 10.6% of total retail employment in the state. (This included both direct and indirect employment.)



Dealership Contribution to Retail Employment in Nevada - 2023	
Total employment resulting from auto dealerships	16,116
Total retail employment in Nevada	151,700
Dealership percentage of State retail employment	10.6%

Dealership employment by department



Percentage of Dealership Employment by Department	
Service	40.7%
Vehicle Sales	30.1%
Administration & Other	18.8%
Parts & Accessories	8.3%
Body Shop	2.1%

Employee compensation due to new vehicle retailing industry - 2023



Total compensation at new car dealerships:

\$1.2 billion

Industry Total	Direct	Indirect	TOTAL
Payroll	\$1,093,880,000	\$536,001,200	\$1,629,881,200
Fringe Benefits	\$100,920,000	\$49,450,800	\$150,370,800
TOTAL	\$1,194,800,000	\$585,452,000	\$1,780,252,000

In 2023, the average Nevada dealership paid \$10.3 million to its employees (including fringe benefits). Including both direct and indirect sources, the new vehicle retailing industry resulted in more than \$1.7 billion of total compensation to Nevada residents!

Average Dealership Payroll	Direct
Payroll	\$9,430,000
Fringe Benefits	\$870,000
TOTAL	\$10,300,000

Estimated tax revenue generation - 2023



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

\$924.2 million

In 2023, new franchised automobile dealerships in Nevada collected or paid more than \$924 million in state and local taxes, an average of \$7,967,400 per dealership. Federal payroll taxes for the industry exceeded \$305 million.

Tax Category	Average Per Dealer	Industry Total
Sales tax collected	\$7,542,000	\$874,872,000
Commerce tax	\$120,200	\$13,943,200
State and local payroll taxes	\$99,200	\$11,507,200
Real estate and other local taxes	\$206,000	\$23,896,000
Nevada Total	\$7,967,400	\$924,218,400
Federal Payroll Taxes	\$2,630,000	\$305,080,000

DEALERSHIP SALES AND MARKET SUMMARY

2023
Economic
Impact Study

Departmental Sales (dollars) - 2023



Total sales by new car dealerships in 2023:

\$12.7 billion

Total sales for franchised new vehicle dealerships in Nevada during 2023 exceeded \$12.6 billion. Average dealership sales were \$109.3 million, with more than \$58 million resulting from new vehicle sales.

Department	Average Per Dealer	Auto Retailing Industry Total
New vehicle	\$58,150,000	\$6,745,400,000
Used vehicle	\$32,250,000	\$3,741,000,000
Service and parts	\$14,200,000	\$1,647,200,000
Other	\$4,700,000	\$545,200,000
Total	\$109,300,000	\$12,678,800,000

New Retail Car and Light Truck Registrations in Nevada - 2013 thru 2023 and 2024 Projection

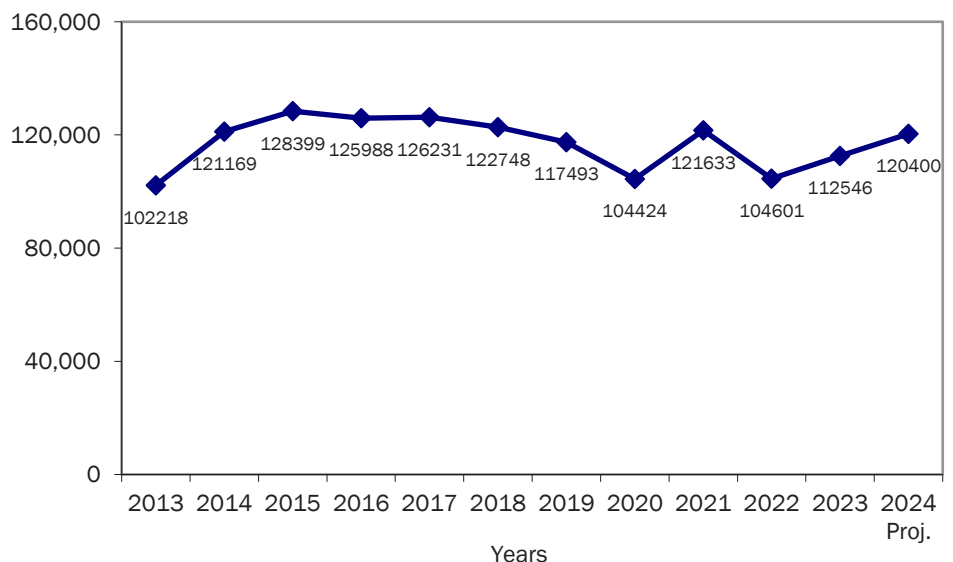


New retail registrations in state during 2023:

112,546

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 14% in 2022 as supply chain issues impacted vehicle production. Registrations are expected to exceed 120,000 units in 2024.

Data sourced from Experian Automotive.



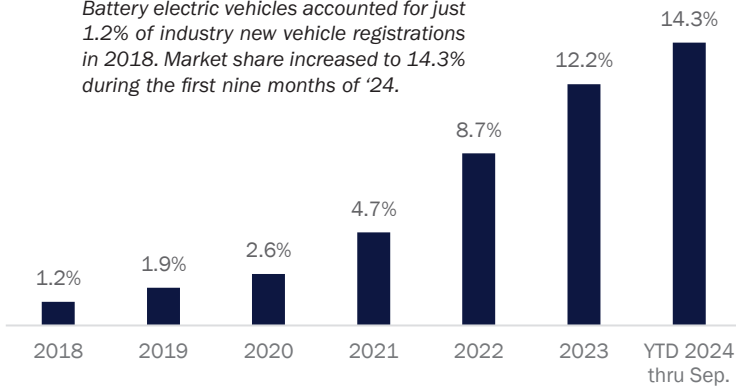
**Nevada franchised new vehicle dealerships:
Powering the way to an electric future**



Battery electric vehicle (BEV) sales in Nevada increased steadily between 2018 and 2024. Franchised dealerships are accounting for a significantly larger share of the market:

BEV Share of Nevada New Retail Light Vehicle Market

Battery electric vehicles accounted for just 1.2% of industry new vehicle registrations in 2018. Market share increased to 14.3% during the first nine months of '24.



Franchised Dealership Share of State BEV Market in 2018: **11.1%**

Franchised Dealership Share of State BEV Market, YTD '24 (Sep.): **32.7%**

Data sourced from Experian Automotive.

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

Average number of electric vehicle chargers installed at new vehicle dealerships by the end of 2024:

4.3

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

\$14,500,000

EV-related expenses by category:

Department	Average Per Dealer	Auto Retailing Industry Total
Charging infrastructure	\$63,000	\$7,308,000
Chargers	\$26,000	\$3,016,000
Building modifications	\$20,000	\$2,320,000
Special equipment	\$7,000	\$812,000
Service training	\$6,000	\$696,000
Sales training	\$3,000	\$348,000
TOTAL	\$125,000	\$14,500,000

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 Nevada. 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 Nevada 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 Nevada 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.

Nevada Franchised Auto Dealers Association

PO Box 7320
Reno, NV 89510-7320

775-331-6884
Email: nfada@nfada.net

**2023
Las Vegas/Henderson Area
Economic Impact Report**

**The Economic Impact
of Franchised New Car Dealerships
on the Las Vegas/Henderson
Area Economy**



Sponsored by:



Director's Message



Andrew MacKay
Executive Director
NFADA

This Automotive Industry Economic Impact Study has been conducted to show the significant contribution our industry makes to the Las Vegas/Henderson Area economy.

The Nevada Franchised Auto Dealers Association was formed in 1962 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 Las Vegas Area residents, and are an important component of the area's economy. Las Vegas Area franchised new vehicle dealers are very proud of their contributions to area economic growth and development.

Introduction

This report provides an in-depth analysis of the economic impact of Las Vegas/Henderson Area new car and truck dealers on the area's economy. It includes estimates of direct and indirect employment, personal income, and tax collections generated by area 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 Nevada Franchised Automobile Dealers Association.

Nevada Franchised Auto Dealers Association

PO Box 7320
Reno, NV 89510-7320

775-331-6884
Email: nfada@nfada.net



**Las Vegas/Henderson Area Franchised New Vehicle Dealers
Vital contributors to the area’s economy in 2023:**

- Total jobs in Las Vegas/Henderson Area attributable to franchised new vehicle dealerships . . .10,902
- Number of jobs per new vehicle dealership 103
- Total earnings for area residents attributable to dealership operations \$1.4 billion
- Average annual salary per dealership employee. \$110,485
- Total state and local taxes collected or paid \$692.9 million
- Total federal payroll taxes collected or paid \$236.8 million
- Total dealership sales (dollars). \$9.5 billion
- Total dealership expenses (excludes cost of goods sold) \$1.1 billion
- Total dealership contributions to charitable causes \$4.5 million

Dealership Profile



Dealership Summary - 2023

- Average dealership total sales \$128.4 million
- Average dealership payroll expense (including fringe benefits). \$12.5 million
- Average dealership advertising expenses \$1,070,000
- Average dealership expenditures on capital improvements (2022 and 2023 combined) . . . \$595,000
- Average dealership contributions to charitable causes: \$61,400
- Average dealership new and used vehicle sales. 2,220 units
- Average number of vehicles serviced by dealerships 27,300

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



Total employment at new car dealerships:

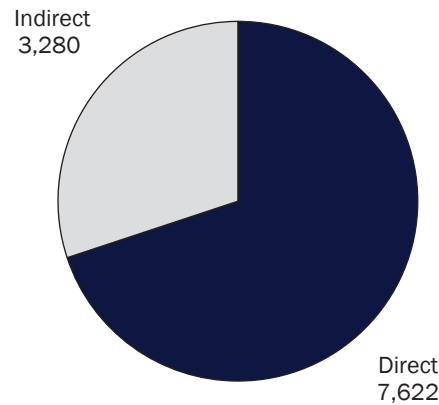
7,622

In 2023, area new vehicle dealerships directly employed a total of 7,622 individuals.

The average dealership employed 103 people.

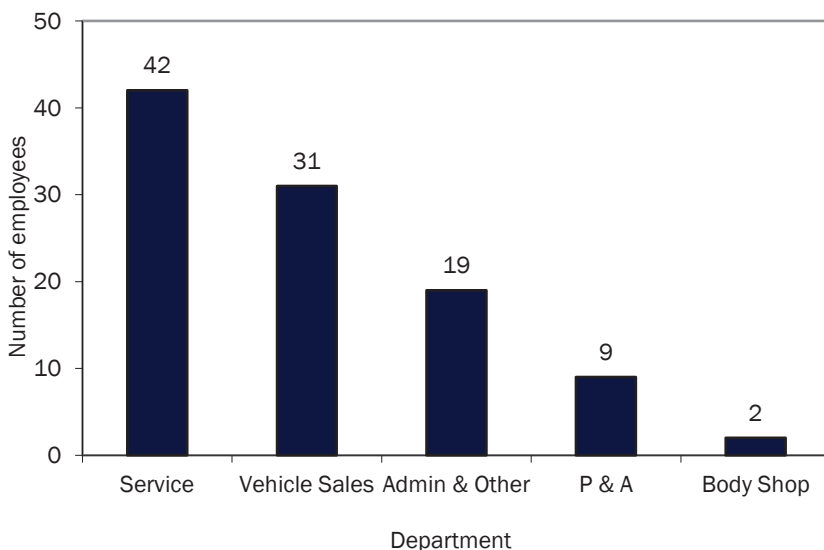
An additional 3,280 individuals were employed due to the indirect impact of dealership operations.

Automobile dealership operations accounted for 9.8% of total retail employment in the area. (This included both direct and indirect employment.)



Dealership Contribution to Retail Employment in Las Vegas/Henderson Area - 2023	
Total employment resulting from auto dealerships	10,902
Total retail employment in the area	111,400
Dealership percentage of area retail employment	9.8%

Dealership employment by department



Percentage of Dealership Employment by Department	
Service	40.9%
Vehicle Sales	30.1%
Administration & Other	18.4%
Parts & Accessories	8.7%
Body Shop	1.9%

Employee compensation due to new vehicle retailing industry - 2023



Total compensation at new car dealerships:

\$921.3 million

Industry Total	Direct	Indirect	TOTAL
Payroll	\$842,120,000	\$412,638,800	\$1,254,758,800
Fringe Benefits	\$79,180,000	\$38,798,200	\$117,978,200
TOTAL	\$921,300,000	\$451,437,000	\$1,372,737,000

In 2023, the average area dealership paid \$12.45 million to its employees (including fringe benefits). Including both direct and indirect sources, the new vehicle retailing industry resulted in more than \$1.3 billion of total compensation to residents!

Average Dealership Payroll	Direct
Payroll	\$11,380,000
Fringe Benefits	\$1,070,000
TOTAL	\$12,450,000

Estimated tax revenue generation - 2023



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

\$692.9 million

In 2023, new franchised automobile dealerships in the area collected or paid nearly \$693 million in state and local taxes, an average of \$9,364,000 per dealership. Federal payroll taxes for the industry exceeded \$236 million.

Tax Category	Average Per Dealer	Industry Total
Sales tax collected	\$8,860,000	\$655,640,000
Commerce tax	\$141,000	\$10,434,000
State and local payroll taxes	\$124,000	\$9,176,000
Real estate and other local taxes	\$239,000	\$17,686,000
Area Total	\$9,364,000	\$692,936,000
Federal Payroll Taxes	\$3,200,000	\$236,800,000

DEALERSHIP SALES AND MARKET SUMMARY

2023
Economic
Impact Study

Departmental Sales (dollars) - 2023



Total sales by new car dealerships in 2023:

\$9.5 billion

Total sales for franchised new vehicle dealerships in the area during 2023 exceeded \$9.5 billion. Average dealership sales were \$128.4 million, with nearly \$70 million resulting from new vehicle sales.

Department	Average Per Dealer	Auto Retailing Industry Total
New vehicle	\$69,600,000	\$5,150,400,000
Used vehicle	\$37,700,000	\$2,789,800,000
Service and parts	\$16,200,000	\$1,198,800,000
Other	\$4,900,000	\$362,600,000
Total	\$128,400,000	\$9,501,600,000

New Retail Car and Light Truck Registrations in Las Vegas/Henderson Area 2013 thru 2023 and 2024 Projection

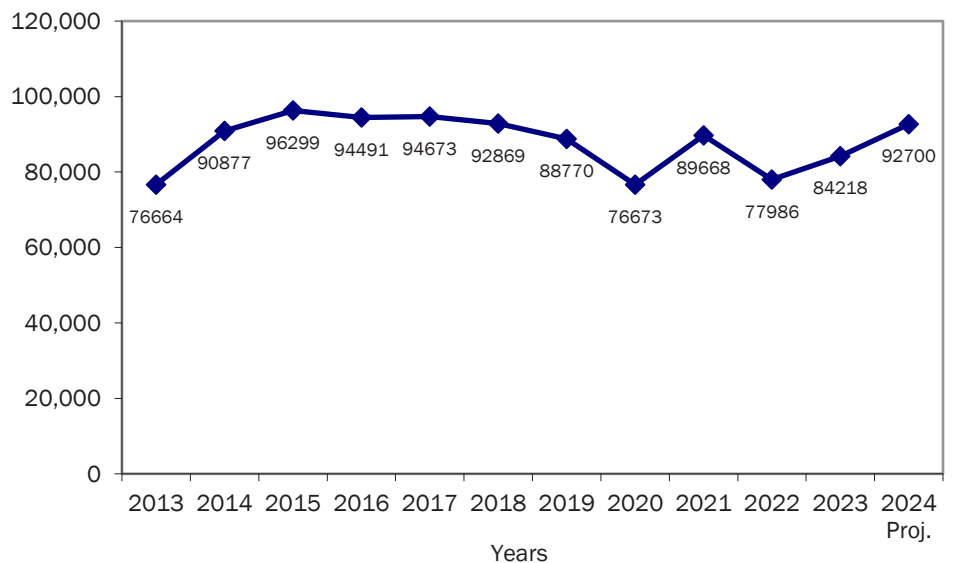


New retail registrations in area during 2023:

84,218

As shown on the graph, combined new retail car and light truck registrations in the area declined sharply in 2020 due to the pandemic, improved in 2021, and then fell 13% in 2022 as supply chain issues impacted vehicle production. Registrations are expected to exceed 92,000 units in 2024.

Data sourced from Experian Automotive.



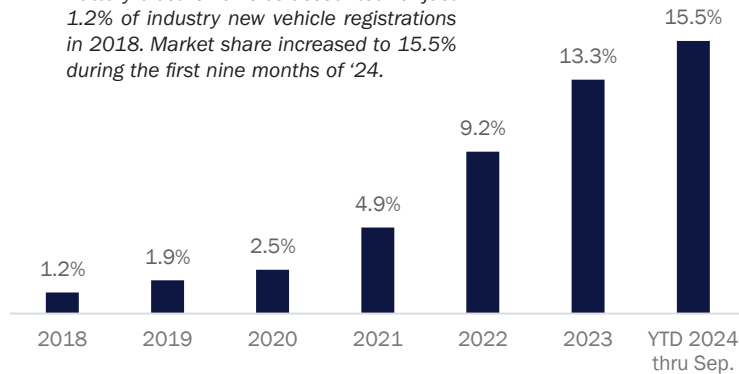
**Area franchised new vehicle dealerships:
Powering the way to an electric future**



Battery electric vehicle (BEV) sales in the area increased steadily between 2018 and 2023. Franchised dealerships are accounting for a significantly larger share of the market:

BEV Share of Las Vegas/Henderson Area New Retail Light Vehicle Market

Battery electric vehicles accounted for just 1.2% of industry new vehicle registrations in 2018. Market share increased to 15.5% during the first nine months of '24.



Franchised Dealership Share of Area BEV Market in 2018: **9.9%**

Franchised Dealership Share of Area BEV Market, YTD '24 (Sep.): **30.4%**

Data sourced from Experian Automotive.

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

Average number of electric vehicle chargers installed at new vehicle dealerships by the end of 2024:

4.8

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

\$11,544,000

EV-related expenses by category:

Department	Average Per Dealer	Auto Retailing Industry Total
Chargers	\$79,000	\$5,846,000
Building modifications	\$32,000	\$2,368,000
Charging infrastructure	\$25,000	\$1,850,000
Special equipment	\$9,000	\$666,000
Service training	\$7,000	\$518,000
Sales training	\$4,000	\$296,000
TOTAL	\$156,000	\$11,544,000

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 Las Vegas/Henderson Area. 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 area 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 area 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.

Nevada Franchised Auto Dealers Association

PO Box 7320
Reno, NV 89510-7320

775-331-6884
Email: nfada@nfada.net