

BENEFITS OF THE FRANCHISED DEALERSHIP SYSTEM

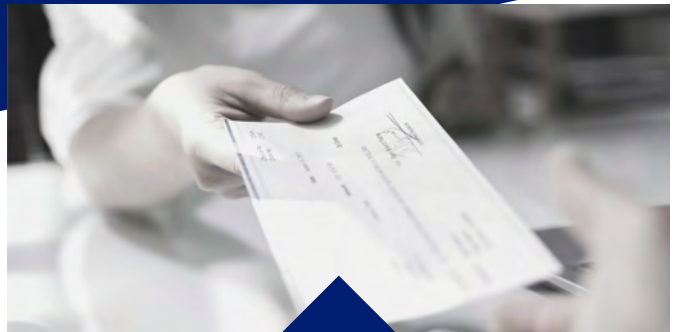
The franchised automobile dealers of Texas have an important economic story to tell. Dealers prevent monopolies and promote competition in vehicle pricing and service for the customer.



\$600M
ANNUALLY

Land & facility capital investments by Texas franchised dealers that:

- Supports local businesses
- Expands employment opportunities
- Provides better services & additional benefits for consumers



\$6.5B
ANNUAL PAYROLL

100,000+ Texans employed by dealers.

- Good-paying, career building jobs.
- Supporting healthcare costs, food needs, & educational opportunities.

DEALERS SERVE CONSUMERS

Texas franchised dealers provide intra-brand competition, which allows consumers access to the vehicle of their choice and ability to negotiate the price.

DEALERS SERVE SAFETY

Service, warranty, and safety recall work are crucial resources that dealers offer for Texans in all areas of the state.

DEALERS SERVE COMMUNITIES

Dealers see themselves as a partner to the communities they serve. Communities with local dealerships receive an average of \$174,000+ in annual charitable contributions that directly benefit their community.



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WHO ARE TEXAS FRANCHISED DEALERS?

Dealership owners are diverse in background yet united in the commitment to their customers and their communities.

Most Texas franchised dealerships are multi-generational, family-owned and operated businesses. Additionally, most dealerships have been primary employers and resources in their communities for decades.

DEALERS SERVE THE CONSUMER

Dealers are responsible for the cost of the retail sale capital outlay. Since there is intra-brand competition amongst dealers, they're incentivized to be competitive regarding pricing and service quality.

COMMITTED TO EDUCATION AND JOB TRAINING

Dealers partner with schools on vocational training and education opportunities to create a path to employment for differing skill and education levels.

COMMITTED TO COMMUNITY

Dealers are active members of their communities, supporting local businesses, charities, schools, and activities. Their community participation reflects the kind of civic action and local pride that enriches the lives of all Texans.

COMMITTED TO EMPLOYEE GROWTH

Unlike many industries, individuals in the industry can truly work their way up to management and ownership. Because advancement opportunities are vast, the industry supports upward mobility.



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FULFILLING HIGH PAYING JOBS

Whether an employee comes from a technical training background, or holds a college degree, dealers have a job for most Texans. Given the rising popularity and importance of low tuition, skills-based community college programs and technical credentials, the dealer industry supports how higher education is changing in Texas.



100,000+

Number of
Texans
employed by
dealers.

OPPORTUNITY WITHIN COMMUNITIES

These jobs provide opportunity for constituents in hundreds of communities. These jobs meet people where they are – fresh out of school, career-changing adults, the business oriented and the tech-savvy.

TRAINING & ADVANCEMENT

Dealers train their employees for advancement within the company. Dealerships jobs support the kind of career path that younger generations are looking for: good-paying, flexible, opportunities for advancement, reduced barriers to entry, etc.

GOOD WAGES

Dealer employees are paid a good wage, allowing them to take care of their housing, healthcare costs, food needs, and educational opportunities.



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COMMUNITY IMPACT OF FRANCHISED DEALERS

Dealers see themselves as a partner to the communities they serve and are engaged in local organizations who focus on thoughtful business and community growth.



\$50M
ANNUALLY

Average charitable contributions generated by dealers every year.

135,000
HOURS

Average volunteer hours served by dealership employees every year.



\$174K+
ANNUALLY

Average charitable contributions received every year by communities that have local dealerships.

70%+

Dealerships that have employees serving schools, local churches, non-profit organizations, and other community organizations.



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ECONOMIC BENEFITS OF FRANCHISED DEALERS



\$90B
SALES

20%
RETAIL SALES

Annual sales generated & portion
of total retail sales in Texas
attributed to dealers.



\$600M

Annual capital
investments by Texas
franchised dealers.

- In a typical year, Texas franchised dealers sell over 1.5 million new vehicles, generating over \$90 billion in sales, and their sales account for roughly 20% of all retail sales in Texas.
- Texas franchised dealers are responsible for over \$600 million every year in capital investments.
- Capital investments support other local Texas businesses, expand employment opportunities for Texans, and provide better services and additional benefits for consumers.

ECONOMIC BENEFITS OF FRANCHISED DEALERS

- There are nearly 1,400 franchised dealerships in 290 Texas cities and towns.
- There are dealerships throughout small communities and rural areas in Texas, ensuring that residents in those areas can easily access sales, service, and warranty or recall work when needed.
- Texas franchised dealers employ over 100,000 Texans.
- Dealer employees are paid a living wage which allows them to support their families and build a life that includes housing, healthcare, education, and more.

~1,400

Texas franchised dealerships.

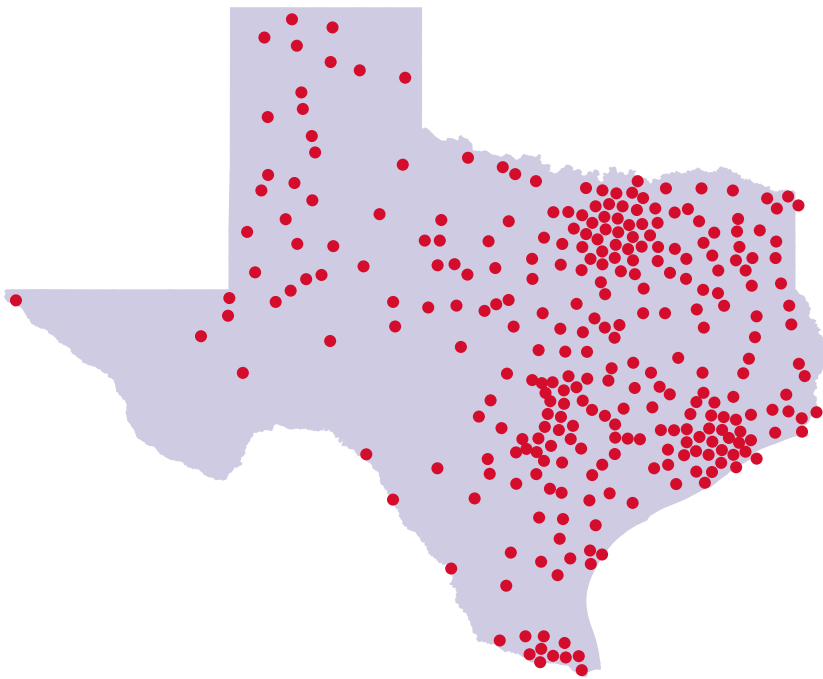


+100,000

Texans employed by franchised dealers.



THE IMPORTANCE OF DEALERSHIP ACCESSIBILITY



~1,400 TEXAS DEALERSHIPS
in 290 TEXAS CITIES & TOWNS

STATEWIDE DIVERSITY

Franchised dealerships are dispersed across the vast landscape of Texas, ensuring that even residents in small communities and rural areas can easily access sales, service, and warranty or recall work when needed.

CUSTOMER EXPERIENCE

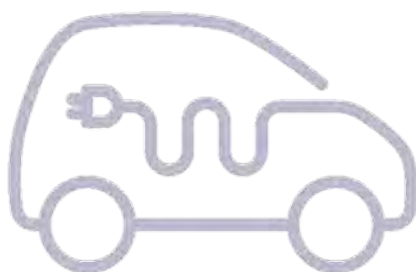
Dealers provide an accessible physical presence for sales and service. Consumers can get hands on assistance and see how to operate technology in vehicles.

CONSUMER CHOICE

Franchised dealers provide the greatest brand diversity and varying price points for vehicles, including alternative fueled and electric vehicles. Dealers serve all consumers, from first-time drivers that just need a vehicle to get around in, to those wanting a luxurious retirement car.

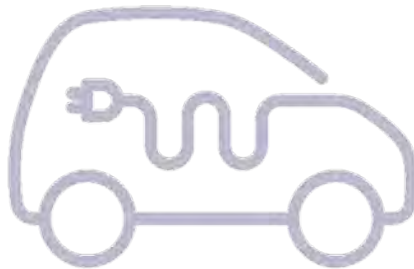
FRANCHISED DEALERS & ELECTRIC VEHICLE SALES

Franchised dealers are the most efficient path to increased electric vehicle (EV) sales. They are essential to the growth of the market.



- As the largest, most efficient and affordable delivery mechanism, franchised dealerships will be the key to mass adoption of EVs.
- While there are only 50 EV models on the market today, accounting for roughly 2% of sales, the expectation is that there will be 130 EV models on the market by 2026.
- As EV models gain more popularity, franchised dealers will provide the greatest brand diversity and varying price points for alternative fueled vehicles of every type, including EVs.

FRANCHISED DEALERS & ELECTRIC VEHICLE SALES



- Dealers will help ensure there is infrastructure to support consumers in the ownership of alternative fuel vehicles through education, infrastructure investment, and service/warranty work.
- Dealers work as a partner with consumers to help them identify the best vehicle to integrate into their life.
- For the future of alternative fuel vehicles, it is imperative consumers are personally educated on how these vehicles work, the practical concerns, and how they can be alleviated to meet the consumers' personal needs.

THE RISKS OF ELIMINATING THE FRANCHISE SYSTEM

- **DECREASED EASE OF ACCESS:**

Without franchised dealerships, monopolies created by vehicle manufacturers will focus attention on the metropolitan and large suburban regions, leaving many areas of the state under-served and ultimately limit consumer choice.

- **LIMITED SERVICE:**

Consumers will be forced to deal directly with manufacturers, relying upon their goodwill to have their vehicles serviced, recall work scheduled and performed, or to have the manufacturer deliver other services for vehicles under warranty.

- **JOB LOSS:**

Jobs that employ nearly 100,000 Texans will be at risk, particularly in the rural areas of the state.

- **REVENUE LOSS:**

Less revenue will be reinvested back in Texas, hurting communities and businesses.

~1,400 TEXAS DEALERSHIPS

in 290 TEXAS CITIES & TOWNS

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TADA
Texas Automobile Dealers Association

1 Abilene
2 Alice
3 Alto
4 Alvin
5 Amarillo
6 Andrews
7 Angleton
8 Anson
9 Aransas Pass
10 Arlington
11 Athens
12 Austin
13 Baird
14 Ballinger
15 Bastrop
16 Bay City
17 Baytown
18 Beaumont
19 Bedford
20 Beeville
21 Big Lake
22 Big Spring
23 Boerne
24 Bonham
25 Borger
26 Bowie
27 Brady
28 Breckenridge
29 Brenham
30 Bridgeport
31 Brookshire
32 Brownfield
33 Brownsville
34 Brownwood
35 Bryan
36 Buda
37 Burkburnett
38 Burleson
39 Burnet
40 Caldwell
41 Cameron
42 Canton
43 Canyon
44 Carrollton
45 Carthage
46 Castroville
47 Cedar Creek
48 Cedar Park
49 Center
50 Clarksville
51 Cleburne
52 Cleveland
53 Clifton

54 Clyde
55 Coleman
56 College Station
57 Columbus
58 Comanche
59 Commerce
60 Conroe
61 Converse
62 Corinth
63 Corpus Christi
64 Corrigan
65 Corsicana
66 Crosby
67 Cuero
68 Dalhart
69 Dallas
70 Decatur
71 Del Rio
72 Denison
73 Denton
74 Denver City
75 Desoto
76 Devine
77 Dickinson
78 Dilley
79 Dumas
80 Duncanville
81 Eagle Pass
82 Early
83 East Bernard
84 Eastland
85 Edinburg
86 El Campo
87 El Paso
88 Elgin
89 Ennis
90 Euless
91 Fairfield
92 Farmersville
93 Fate
94 Floresville
95 Fort Stockton
96 Fort Worth
97 Frankston
98 Fredericksburg
99 Freer
100 Friendswood
101 Frisco
102 Gainesville
103 Galveston
104 Garland
105 Gatesville
106 Georgetown

107 Gilmer
108 Gladewater
109 Goldthwaite
110 Goliad
111 Gonzales
112 Gordon
113 Graham
114 Granbury
115 Grand Prairie
116 Grapeland
117 Grapevine
118 Greenville
119 Gruver
120 Hallettsville
121 Hamilton
122 Harlingen
123 Haskell
124 Hearne
125 Hebbronville
126 Henderson
127 Henrietta
128 Hereford
129 Hillsboro
130 Hondo
131 Houston
132 Howe
133 Hughes Springs
134 Humble
135 Huntsville
136 Hurst
137 Hutto
138 Irving
139 Itasca
140 Jacksonville
141 Jasper
142 Jayton
143 Jefferson
144 Karnes City
145 Katy
146 Kaufman
147 Kenedy
148 Kermit
149 Kerrville
150 Kilgore

151 Killeen
152 Kingsville
153 Kingwood
154 Kirbyville
155 Kyle
156 La Grange
157 La Porte
158 La Vernia
159 Lake Jackson
160 Lakeway
161 Lamesa
162 Lampasas
163 La Porte
164 Laredo
165 League City
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167 Lewisville
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184 Mathis
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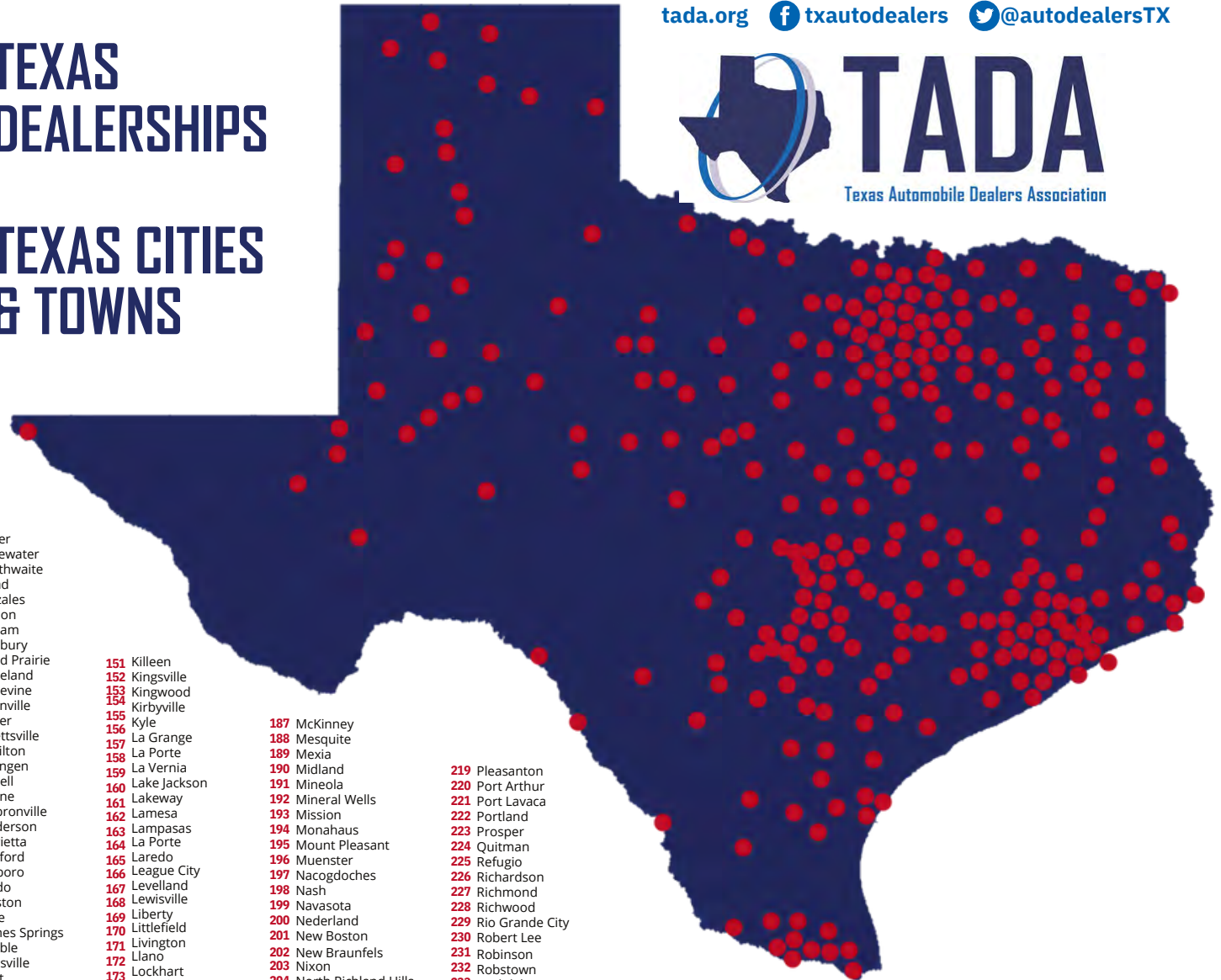
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199 Navasota
200 Nederland
201 New Boston
202 New Braunfels
203 Nixon
204 North Richland Hills
205 Odessa
206 Orange
207 Paducah
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216 Pittsburg
217 Plainview
218 Plano

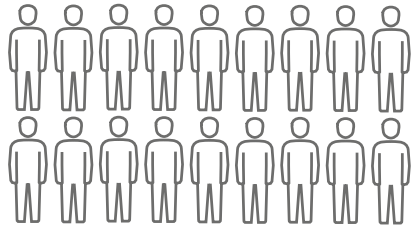
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236 Round Rock
237 San Angelo
238 San Antonio
239 San Augustine
240 San Benito
241 San Juan
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243 Sanger
244 Schertz
245 Schulenburg
246 Sealy
247 Seguin

248 Selma
249 Sherman
250 Silsbee
251 Slaton
252 Snyder
253 Sour Lake
254 Spring
255 Stafford
256 Stanton
257 Stephenville
258 Stratford
259 Sugar Land
260 Sulphur Springs
261 Sweet Water
262 Taylor

263 Temple
264 Terrell
265 Texarkana
266 Texas City
267 The Woodlands
268 Three Rivers
269 Tomball
270 Tulia
271 Tye
272 Tyler
273 Uvalde
274 Vernon
275 Victoria
276 Waco

277 Waxahachie
278 Weatherford
279 Webster
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288 Winnie
289 Winnsboro
290 Yoakum



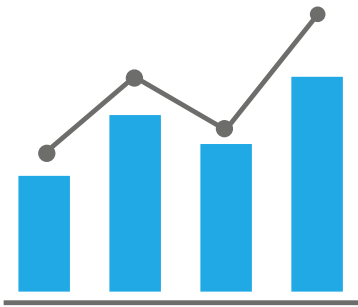


More than
100,000
TEXAS EMPLOYEES

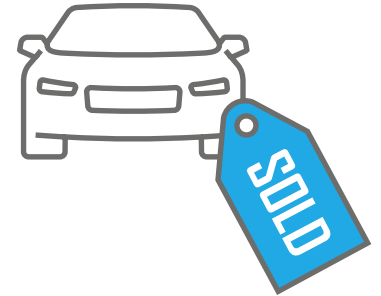


\$6.5 BILLION
Annual Payroll

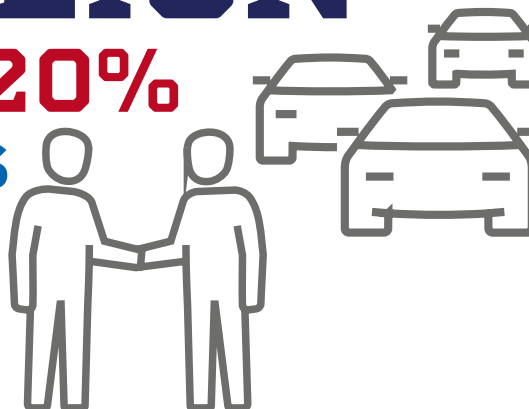
\$600 MILLION
Annually in **CAPITAL**
INVESTMENTS



1.5 MILLION
NEW VEHICLES
Retailed Annually



\$90 BILLION
IN SALES and **20%**
of all **RETAIL SALES**
in **TEXAS**



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