

FOR IMMEDIATE RELEASE

Help Wanted: U.S. Automobile Dealers Struggle to Hire Employees While Business Booms

- According to the Cox Automotive 2021 Dealership Staffing Study, 72% of franchised dealers surveyed say finding and hiring the right employees is currently a challenge.
- A majority of dealership leaders approximately 65% report they plan to increase the total number of employees in the dealership this year.
- The study found a disconnect between what the most progressive dealers are looking for in employees and the skills job seekers think they need to work in a dealership.

ATLANTA, June 21, 2021 – The U.S. economy is showing signs of returning to pre-pandemic levels, and the auto business is booming. Like many industries, U.S. automotive retail is struggling to find enough employees for dealerships to be fully staffed, much less meet their 2021 growth goals. In the 2021 Cox Automotive Dealership Staffing Study published today, 72% of franchised auto dealers surveyed say that finding and hiring the right employees is currently a challenge.

A majority of dealership leaders – approximately 65% – report that they plan to increase the total number of employees in the dealership this year, while ~34% said they plan to maintain their staffing level. Expanding the number of service technicians is the highest priority for dealership leaders, with 60% planning to increase the number of service technicians this year, followed by new-vehicle sales associates (54%) and used-vehicle sales associates (48%).

Dealers' desire to grow their operations comes at a time when business is strong. According to the Q2 Cox Automotive Dealer Sentiment Index, sentiment related to the current market reached a record high in Q2 for both franchised and independent dealers, and the profit index set a record high as well. The 3-month market outlook index reading is an increase from last quarter and, importantly, equal to Q1 2020, the final pre-COVID-19 reading.

"While the outlook for dealerships has never been better, dealers state that finding employees is a challenge due to people not returning to their positions or the workforce post-pandemic," said Angela Drake, senior industry intelligence manager, Cox Automotive. "The traditional lack of interest in working at dealerships is exacerbated this year by pandemic-related stimulus money and enhanced unemployment benefits. The good news is that our study found overall interest in working at dealerships is growing, and a growing number of employees in non-automotive jobs view their skill sets as transferable to the dealership."

Job Seekers May Have Skills Dealers Desire, And Not Know It

When asking potential job seekers why they would not want to work at a dealership, 32% indicate they did not have the necessary skills. However, the 2021 Dealership Staffing Study finds that Heavy Digital Dealers, those dealers that significantly invest in digital retailing tools, say the right employee doesn't need automotive experience. Instead, they are looking for the following characteristics:

Willing to go above and beyond their specific job responsibilities

- Good communicators across all communication channels (verbal, written, video, etc.)
- Can easily adapt to a quickly changing work environment
- Tech-savvy and comfortable with learning new technology

"As pandemic unemployment assistance winds down, dealers have the opportunity to promote their job openings to a new group of job seekers who may not have considered working in a dealership," said Bob Kostkan, senior director at Cox Automotive University. "Job seekers with restaurant and retail experience usually have the mindset, potential and skills to be successful at a dealership but may not realize that automotive experience isn't a prerequisite for many of the open positions. The most successful dealers offer employees onboarding and comprehensive career development training beyond what their OEMs offer to enhance engagement and retention. In fact, the top two most popular training enhancements indicated in the Dealership Staffing Study for now and into the future are online/digital tools and communication skills."

Cox Automotive 2021 Dealership Staffing Study Methodology

Data for the Cox Automotive Dealership Staffing Study is gathered via online surveys. The results were based on 440 franchised and independent dealership employee respondents, comprising 151 individual contributors, 127 department managers and 182 dealership leaders, and 394 employees at non-dealership companies, comprising 147 individual contributors, 63 department managers, 147 leaders and 37 unemployed active job seekers. Respondents were based across the country and responded to the survey between Feb. 23 and March 10, 2021.

<u>Download a summary</u> of the 2021 Cox Automotive Dealership Staffing Study. <u>Find out more</u> about Cox Automotive University.

About Cox Automotive

Cox Automotive Inc. makes buying, selling, owning and using vehicles easier for everyone. The global company's more than 27,000 team members and family of brands, including Autotrader*, Dealer.com*, Dealertrack*, Dickinson Fleet Services, Kelley Blue Book*, Manheim*, NextGear Capital*, VinSolutions*, vAuto* and Xtime*, are passionate about helping millions of car shoppers, 40,000 auto dealer clients across five continents and many others throughout the automotive industry thrive for generations to come. Cox Automotive is a subsidiary of Cox Enterprises Inc., a privately-owned, Atlanta-based company with annual revenues of nearly \$20 billion. www.coxautoinc.com

Media Contacts:

Mark Schirmer 734 883 6346 mark.schirmer@coxautoinc.com

Dara Hailes 470 658 0656 dara.hailes@coxautoinc.com