

For Immediate Release

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## **NIADA Survey: Independent Dealers Getting Back to Business**

### *Dealers Rehiring Staff and Opening Up for Sales, But Challenges Remain*

**Arlington, Texas (May 15, 2020)** – Employees are coming back to work and vehicles are beginning to sell as independent auto dealers ramp up to get back to business, according to a new survey by the National Independent Automobile Dealers Association.

The survey of 846 used vehicle dealers conducted from May 9-14 – a follow-up to a survey taken a month earlier – found almost two-thirds (63 percent) of the dealerships that had furloughed or laid off employees a month earlier have begun the process of bringing them back.

Overall, 34 percent of the independent dealers said they are rehiring staff, 20 percent said they are not and 47 percent said the question was not applicable, meaning they had remained at full staffing level throughout the COVID-19 pandemic – the same percentage as the previous survey.

Thirty-nine percent of those who are rehiring said they had experienced no problems in doing so, but 31 percent said their employees were hesitant to come back because they were making more through the government's enhanced unemployment benefits than they had made at their jobs, and 19 percent said fear of the coronavirus was an issue.

The survey also showed dealerships opening up again, with 44 percent doing business as usual (compared to 27 percent in April), 34 percent open by appointment only and 10 percent selling online only. Just 11 percent remain closed temporarily – down from 27 percent – and one percent reported they have closed permanently.

*"I am encouraged that the COVID-19 pandemic hasn't put more dealers out of business permanently, as was originally feared,"* NIADA CEO Steve Jordan said. *"Recovery and signs of life are showing, as 88 percent of dealers are open for business, with almost half open for 'business as usual.'*

*"Unfortunately, open for business as usual doesn't always mean sales have returned."*

Indeed, sales remain below pre-COVID levels for most dealers – 53 percent of the respondents said their sales were down 50 percent or more for the previous two weeks. Twelve percent of dealers said their sales were back to normal levels and 6 percent said sales were actually better than before the pandemic.

Rebuilding sales and customer traffic is by far the greatest challenge currently faced by independent dealers, cited by 38 percent of respondents. That's twice as many as the second choice, access to inventory at 19 percent, which was followed by funding and access to capital at 17 percent.

The funding issue has been lessened for some dealers by government relief programs such as loans from the Small Business Administration's Paycheck Protection Program.

The survey found 64 percent of dealers have received some sort of federal or state government funding. Of those who have not, 28 percent have applied and 4 percent have been approved. Another 8 percent said they were approved but told there was no money available.

To view the complete results of the NIADA COVID-19 Dealer Impact Survey, visit [covid19.niada.com](https://covid19.niada.com).

### **About NIADA**

The National Independent Automobile Dealers Association (NIADA) is among the nation's largest trade associations, representing the used motor vehicle industry comprised of more than 38,000 licensed used car dealers. Since 1946, NIADA has represented the voice and interests of used car dealers at the federal level in Washington D.C. Coupled with its state association network across the country, NIADA's grass-roots framework provides a dual layer of advocacy unmatched in the used motor vehicle industry.

For more than 70 years, NIADA has engineered programs and leveraged technology to fulfill its mission to advance, educate and promote the independent used car dealer. NIADA members subscribe to a strict Code of Ethics of duty, honor and integrity, and believe in the advancement of small business in support of the free-market system. More information about NIADA programs and educational opportunities is available at [www.niada.com](https://www.niada.com) and [www.niada.tv](https://www.niada.tv).