

THE WANADA BULLETIN

NEWS AND INFORMATION FOR AND ABOUT FRANCHISED NEW CAR DEALERS IN THE WASHINGTON AREA

WANADA Bulletin # 33-16

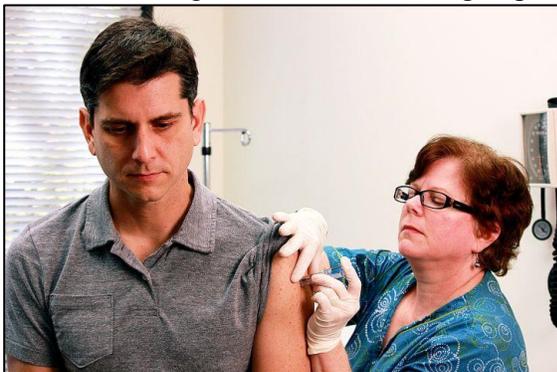
August 26, 2016

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Last chance to sign up for WANADA flu shot program

The August 31 deadline to sign up for WANADA's flu shot program for dealership



Requests to join WANADA's flu shot program after August 31 may be subject to vaccine availability.

employees is fast approaching! The program will be available, on-site, at WANADA dealerships, and is once again administered by Norvar Health Services.

The fee is \$24 per shot for the 3-strain vaccine and \$31 each for the 4-shot vaccine, with a minimum of 20 adults required at each location. On-site visits will start October 1, 2016.

Register online at www.norvarhealthservices.com under "Scheduling," or call 202-744-1360. Any request received after August 31 may be subject to vaccine availability. Norvar will invoice WANADA member dealerships directly.

Questions may be directed to Connie Ryan, WANADA Employee Benefits Operations at 202-237-7200.

NADA seeks donations for Baton Rouge dealers and their families

The National Automobile Dealers Charitable Foundation (NADCF) seeks to raise \$2 million for franchised dealership families displaced by the severe flooding in Baton Rouge, LA.

NADA President Peter Welch and NADCF Chairman Annette Sykora traveled to Baton Rouge after the floods to meet with dealers and dealership employees to assess the need for financial

assistance. Initial estimates indicate that more than 1,200 dealership families from 60 dealerships have been flooded out of their homes and desperately require financial assistance.

“The need for financial assistance will be significant and will last for months to come,” Sykora said.

The Charitable Foundation’s Emergency Relief Fund provides dealership families affected by natural disasters with funds up to \$1,500. To date, the fund has supported more than 8,700 dealership families nationwide.

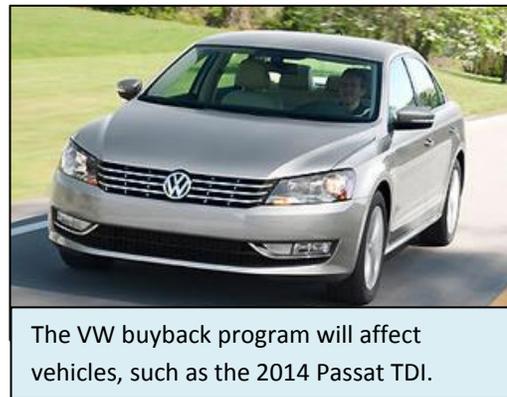
To contribute to the fund, call 703-821-7102, or click [here](#). Checks can be made payable to NADCF Emergency Fund, c/o NADCF, 8400 Westpark Drive, MS 7, Tysons Corner, VA 22102. For more information, call 703-821-7233.

NADA presents FTC seminar for VW dealers, Sept. 8

The Federal Trade Commission (FTC) will present information on the Volkswagen buyback program and certain FTC concerns (see below) in a *nadauniversityonline* webinar September 8, from 1 p.m. to 2 p.m. EDT.

The FTC has written a [business blog](#) for NADA members that cautions sellers of certain VW and Audi diesel vehicles (including dealers of other brands) not to make false claims about the recent proposed consent orders that the Volkswagen Group of America has entered into with the FTC, other governmental agencies and owners and lessees of the vehicles. Details of the proposed settlements are available at [VWCourtSettlement.com](#).

Dealers and their representatives may click [here](#) to register.



Regulators reject request to extend comment period on CAFE

Environmental and safety regulators have rejected a request by automakers and NADA to extend the comment period on a report on fuel efficiency requirements by at least two months. The report, issued in July by the Environmental Protection Agency and National Highway Traffic Safety Administration, projected that automakers would likely fall short of the goal of 54.5 mpg by MY 2025, instead averaging 50 to 52.6 mpg by then.

Automakers had said that with the low price of gas and the increasing consumer preference for trucks and SUVs, they would need more time to assess whether they could still meet the stringent goal, or should ask for it to be lowered. The request for a delay was filed by the Alliance of Automobile Manufacturers and was joined by NADA, the Association of Global Automakers, the U.S. Chamber of Commerce and other groups.

Regulators from EPA and the California Air Resources Board said at the SAE meeting held in conjunction with The Washington Auto Show that automakers have done an excellent job so far in meeting CAFE standards and that the technology is available for them to continue to do so. Automakers and NADA object that the standards are based on consumer purchases, a harder goal to meet than the contents of the fleet.

Comments must now be filed by late September. NADA has said it plans to file comments. The final decision on the standards will be made in 2018 by the next administration.

U.S. driving up 3.3% in first half of 2016, says DOT

U.S. driving reached 1.58 trillion miles in the first six months of 2016, beating the previous record of 1.54 trillion miles set last year, according to the Federal Highway Administration. This year's total is equal to about 250 roundtrips from Earth to Pluto.

The new data show that more than 282.3 billion miles were driven in June alone, a slight increase over June 2015. All five regions of the country increased their driving.

More consumers getting auto loans says TransUnion



Auto sales have been strong – and buyers are getting the loans to finance them. Photo by Wouter van Erve.

More than five million additional consumers had an auto loan in second-quarter 2016 compared with a year earlier, according to TransUnion. That's a 7 percent increase.

The average loan balance grew 2.7 percent, reaching \$18,177, the highest level post-recession. That's up from \$17,699 a year earlier.

“In recent years, the auto industry has experienced strong growth in truck and SUV sales, which we believe is one of the drivers for higher average auto balances,” said Jason Laky, automotive and consumer lending business leader for TransUnion. “Strong economic fundamentals – particularly low gas prices and rising employment – are

contributing to the continued growth in the auto sector.”

The auto delinquency rate increased to 1.11 percent from 1 percent a year earlier. But Laky said the rate had been at an all-time low, and the slight rise was not a cause for concern.

Reminder from the campaign trail: Emails are forever

Dealer attorney Mike Charapp offers a timely reminder for dealers about the need for vigilance with business emails.

Emails, texts, tweets and other forms of communication that can be recovered are facts of life. The problem, as we have seen from the impact on the 2016 election, is that they can be hacked. They are recoverable. They can also be subpoenaed in legal actions. When they are on a business system, they are there until purged, and if the business gets notification of potential legal action or criminal investigation, they may not be purged.

Train your employees. Your email system and your social media pages are not for jokes, other humor or exaggerations that can be harmless in informal conversation. Your communications through your systems are for sober business purposes. That may take some of the fun out of it, but it also takes a lot of the danger out of it for your business.

Not all self-braking cars designed to stop, says AAA

New test results from American Automobile Association show that automatic emergency braking systems – soon to be standard equipment on 99 percent of vehicles – vary widely in design and performance.

All the systems tested by AAA are designed to apply the brakes when a driver fails to engage them. But those that are designed to *prevent* crashes reduced vehicle speeds by nearly twice as much as those designed to *lessen* crash severity. AAA warns that automatic, emergency braking

systems are not all designed to prevent collisions and urges consumers to fully understand system limitations before getting behind the wheel.

“AAA found that two-thirds of Americans familiar with the technology believe that automatic emergency braking systems are designed to avoid crashes without driver intervention,” said John Nielsen, AAA’s managing director of Automotive Engineering and Repair. “The reality is that today’s systems vary greatly in performance, and many are not designed to stop a moving car.”

How do millennials view dealerships as employers?

By Kevin Baumgart, vice president Business Development, Hireology

The next wave of talent in today’s workforce is the millennials (ages 18-34), and dealers need to be ready. According to a recent article in *Automotive News*, “The percentage of millennials working in dealerships rose to 31 percent, up from 27 percent a year earlier. Close to half of all new dealership hires in 2014 were millennials.”

But dealerships are having a hard time retaining them. The article continues, “In 2014, the annualized turnover rate in the average car dealership’s sales department was 72 percent, an increase of six percentage points from a year earlier.” It’s critical to think about how millennials view your dealership as an employer and how you can make that perception better.

Getting to Know Your Gen Y Workers

Here are the recent findings on how millennials think and behave in today’s workforce, based on a 2016 survey by Deloitte of nearly 8,000 millennials across the globe:

They want more responsibility:

- Supporting leadership ambitions builds loyalty.
- Being held accountable does not reduce loyalty or satisfaction.
- Strong sense of purpose, inclusiveness, and open communications are higher where employees intend to stay longer.
- Three-quarters of millennials are confident and feel in control of their career paths.
- Those who feel in control appear to be a little more loyal.

They care about their work:

- The values that support long-term business success are people treatment, ethics, and customer focus.
- Personal values have the greatest influence on millennials’ decision making.
- Millennials would prioritize the sense of purpose around people rather than growth or profit maximization.
- Millennials with a mentor are receiving good advice and feel somebody is interested in their professional development.

They care about work/life balance:

- Pay and financial benefits drive millennials’ choice of organization more than anything else.
- In most markets, work/life balance comes before career progression when evaluating job opportunities.
- Millennials would like more opportunities to work remotely – and think it will boost productivity.

How to Keep Your Millennial Workers

Here are some ways to retain millennials:

- Provide a unique work culture that reflects their preferences.
- Let them know their work means something; show them purpose.
- Provide a flexible work schedule that allows time for work/life balance.
- Offer stability via salary and benefits.
- Encourage individuality within a team environment.
- Give recognition when it's due.
- Offer encouragement and mentorship, as opposed to giving orders and managing directly up front.

For more information, email Kevin at kbaumgart@hireology.com

Optional business hours signs for Labor Day

Labor Day this year will wrap up the summer of 2016 on Monday, Sept. 5.

WANADA will be sending dealer members optional holiday business hours and closing signs to complete and post in prominent consumer and employee locations in the store.

WANADA dealers should look out for the Labor Day signs the first part of next week.

Contact Kathy Teich if assistance is needed: (202) 237-7200 or kt@wanada.org

Position Wanted: GM

A seasoned dealer executive with many years of experience in area dealerships is looking for a position as general manager. For more information contact Joe Koch in the WANADA office at 202-237-7200 or jk@wanada.org.

Staying Ahead...

We make a living by what we get, but we make a life by what we give.

--Winston Churchill

