

**Headlines...**

**April 28 deadline to avert federal government shutdown**

**What comes next for American health care?**

**F&I Certification – April 19 at WANADA offices**

**Consumer Confidence Index rose sharply in March**

**Infrastructure deal could be closer, after failure of health care**

**JD Power rates third-party auto shopping websites**

**App makes car financing more accessible to millennials**

**NADA Dealership Workforce Study open to participants until April 28**

**Staying Ahead...**

***Centennial Gala Report in next Bulletin!***

## April 28 deadline to avert federal government shutdown



With Congress so polarized, a budget will be harder to pass than ever this year. Photo by Bjoertvedt.

Amid the posturing and acrimony on Capitol Hill, another deadline is looming. If Congress does not pass a budget by midnight April 28, the nation – and especially the Washington area – will be faced with a government shutdown. What are the chances of that happening?

As with the failed health care bill, the Republicans in charge of Congress must get buy-in from *both* Democrats and the conservative Freedom Caucus. How hard do the various participants want to fight over Trump's budget, with proposals that spur a lot of controversy, including a very expensive border wall with Mexico and a substantial cut in

discretionary nondefense spending, a very small part of the budget? How much will Trump insist on those measures?

Nobody in Congress wants a shutdown. But some Democrats say they are getting pressure from constituents to oppose anything Trump proposes. And members of the Freedom Caucus have often shown themselves to be interested in sticking to their principles, too, which could be at odds with the president's priorities.

One option is for Congress to pass a short-term bill that keeps spending at current levels, with no opportunity for changes. It's not anyone's first choice, but it has happened in the past when not

all parties could agree. And lawmakers do not have the entire month to work on it, because of the impending spring recess.

The last government shutdown was in 2013. Workers for federal agencies and contractors stayed home. Federal contractors often lay people off during a shutdown. Even if federal workers are later reimbursed for their lost paychecks, the experience adds an unwanted layer of uncertainty to the area economy and to consumers' spending plans.

## What comes next for American health care?

Although the effort to repeal and replace Obamacare failed in the U.S. House, the effort is far from over. The current plan is to chip away at provisions of the Affordable Care Act through executive actions, negating the need to unite all factions of the Republican party, and at least some Democrats, behind a new health care plan.

The hard part will be eliminating the parts of Obamacare that Trump wants to cut without weakening the insurance system beyond repair. Trump and Congressional Republicans have said they want Americans to have access to affordable care. The problem of higher premiums was a rallying cry throughout Trump's campaign to be president. Yet some of the changes the

Republicans and administration propose – such as lowering federal subsidies to lower-income people buying insurance – would raise premiums substantially. Analysts have said that not enforcing the individual mandate – another goal of Congressional Republicans if they can't repeal it outright – would also drive up premiums.

Neither Trump nor the Republicans in Congress will abandon this fight. But as they discovered when they tried to pass a bill replacing Obama Care in March, it's hard to do everything they want to do and still make the numbers work.

## F&I certification workshop – April 19 at WANADA offices

WANADA will offer its popular F&I Certification Workshop on Wednesday, April 19, from 9:00 a.m. to 5:00 p.m., in the WANADA offices in Washington, DC.

The workshop will cover these hot button topics: the Tax Reform Act and FinCen Form 8300; the Truth in Lending Act – Regulation Z; Consumer Leasing – Regulation M; Rate speed; Equal Credit Opportunity Act – Regulation B; Fair Credit Reporting and FACT Act; Gramm-Leach-Bliley Act; the Magnuson-Moss Warranty Act; USA Patriot Act and OFAC; and unfair and deceptive trade practices.

This workshop will instruct F&I professionals in the legal and regulatory matters they need to know and act upon to avoid the pitfalls set for dealers by regulators and plaintiffs' lawyers who focus on the automobile business. Additionally, participants will take away a framework of best practices for reviewing paperwork, along with an understanding of general compliance and the keys to good selling. Participants will take a multiple choice exam at the end and receive compliance certification upon passing the test.



Keeping the popular parts of Obamacare, cutting out the unpopular parts, and making it all pay for itself – that's the hard part. Photo by Vic through [Creative Commons](#).

Click [here](#) to register and pay by credit card or check (invoice). To ask questions, contact Kathy Teich at [kt@wanada.org](mailto:kt@wanada.org) or 202-237-7200.

## Consumer Confidence Index rose sharply in March

The Conference Board Consumer Confidence Index, which had increased in February, improved sharply in March, from 116.1 to 125.6. The Present Situation Index and the Expectations Index were also up for the month. The cutoff date for the preliminary results was March 16.

The March level was the highest level since December 2000, when the Index stood at 128.6. “Consumers’ assessment of current business and labor market conditions improved considerably,” said Lynn Franco, director of economic indicators at the Conference Board. “Consumers also expressed much greater optimism regarding the short-term outlook for business, jobs and personal income prospects. Thus, consumers felt current economic conditions have improved over the recent period, and their renewed optimism suggests the possibility of some upside to the prospects for economic growth in the coming months.”

## Infrastructure deal could be closer, after failure of health care



An infrastructure proposal is coming, but it's unclear where the funding will come from.

The infrastructure deal that the Trump administration had planned to introduce in the fall may have been moved up on the calendar, with the failure of the health care bill in the House. The infrastructure bill has a greater chance of bipartisan cooperation, and it is one of the few issues Trump promised in his inauguration speech that he would address soon. That's according to a report in *The Hill* based on interviews with several members of Congress.

But, as with health care, infrastructure has a funding problem. The Congressional health care bill would have saved millions of dollars by cutting back on health-care subsidies, and those savings could have gone toward infrastructure and tax reform. No longer. Transportation Secretary Elaine Chao said the Trump administration would offer a \$1 trillion infrastructure proposal later this year, according to Reuters, but she did not give details on funding. She said the administration intends to offer incentives for public-private partnerships in infrastructure.

Trump's budget proposal cuts 13 percent from the Transportation Department, including the TIGER grants that paid for local road improvements and highway construction. So the money will have to be found elsewhere.

## JD Power rates third-party auto shopping websites

JD Power's recent study on third-party auto shopping websites is useful to dealers not only for its conclusions, but also for its choice of the measures that make up the overall website experience: navigation; appearance; information and content; and speed. Those measures may be useful to dealers as they refine their own websites.

Significantly, JD Power looked at both desktop and mobile satisfaction, as more and more car research is being done from mobile devices. In both categories, Cars.com and Kelley Blue Book took top honors. Cars.com offers shoppers detailed vehicle feature and specification information in an intuitive way. The site also offers multiple financial calculators, inventory search and consumer/expert and dealer reviews.

Kelley Blue Book offers intuitive dealer locator and inventory search tools that are critical to mobile shoppers, particularly those who are actively shopping. The site also has platform-appropriate content, such as 360 degree exterior/interior views.



More and more shoppers are doing car research on their mobile devices, and they don't find the sites as easy to navigate as on desktops.

The study brings a reminder not to neglect the increasing number of mobile shoppers. Shoppers using a desktop computer have a much better shopping experience when navigating auto websites than mobile users do. The study also found that those shopping for new vehicles have a more satisfying experience than used/certified pre-owned shoppers, especially on vehicle pricing information. That finding points to a good opportunity for dealers on their own websites, especially dealers with a strong focus on CPO vehicles.

## App makes car financing more accessible to millennials

A California-based startup is working with dealers and lenders to make car financing more accessible to millennials and other tech-savvy buyers by putting most steps on a smartphone app. Over the years, many websites have tried to bypass dealers for various parts of the sales process – always unsuccessfully. But AutoGravity takes on financing and works *with* dealers.

“To truly empower car buyers with access to every possible vehicle, dealer and finance choice, the AutoGravity platform must be an attractive place for lenders and dealers to do business,” said Serge Vartanov, AutoGravity’s chief marketing officer. The company spent more than a year integrating dealers and lenders into the platform.

Car buyers go through a four-step process. First, they select any make, model and trim of new or used vehicle available in the U.S. Second, they choose a dealership from AutoGravity’s national database. The app shows the closest dealers. Next, the buyer searches for financing on the selected car. The buyer will receive up to four finance offers on a smartphone within minutes. The individual can take those to the dealership to complete the sale. Dealer reserve is included in the loan offer.

## NADA Dealership Workforce Study open to participants until April 28

NADA members who participate in the Dealership Workforce Study by completing a questionnaire and submitting their payroll records will receive two free reports.

*Automotive Retail: National and Regional Trends in Compensation, Benefits and Retention* is the industry’s top resource for helping dealers meet their No. 1 challenge in attracting and retaining productive employees. It contains an analysis of the light-vehicle industry. The report includes

national and regional data for 60 car and truck dealership positions. In addition to data on pay, benefits and turnover, the report details the effect of work schedules, gender gap and generational challenges facing dealerships today. Participants will also receive a free individualized report for each participating dealership.

To enroll in the 2017 Dealership Workforce Study, which is open through April 28, click [here](#) and enter your member (company) ID. For questions, email [WorkforceStudy@nada.org](mailto:WorkforceStudy@nada.org) or call 800-557-6232.

### **Staying Ahead...**

The greatest danger for most of us is not that our aim is too high and we miss it, but that it is too low and we reach it.

--Michelangelo

