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Profit down 93% for Northeast auto dealers

Boston Business Journal

Profitability at auto dealerships in the Northeast fell by 93 percent last year, a drop that outpaced a national fall in auto sales that was driven by frozen credit markets and a prolonged global recession, according to a study by research-software developer **Sageworks Inc.**

Auto dealers in the region — which includes Massachusetts — reported sales per employee of \$533,832 and profit per employee of \$303 in 2008. That was down sharply from 2007's totals, when the sector reported \$636,832 in sales per employee and \$4,659 in profit per worker.

In December, the Boston Business Journal reported on widespread anxiety among local car dealerships, many of which were bracing for closures. Experts say roughly 10 percent of the state's auto dealerships closed in 2008.

Nationally, profit per employee fell from \$4,173 in 2007 to \$349 in 2008 — a 92 percent year-over-year decline.