



Newsletter - May 2021

## A Message from Jason Wilson, KADA President



Dear Kentucky Dealers,

As we move forward in 2021, a number of things come to mind as it relates to the state of our industry. First, how immensely proud I am to be a part of this industry that continues to thrive in so many ways. While writing this, I saw that April's SAAR numbers ended up pretty incredible! You will see more details of that in the Cox Automotive industry report attached in this newsletter. I would also encourage you to listen to or watch our Kentucky Horsepower podcast where I interview Senior Economist Charlie Chesbrough. I think you will find it

interesting.

When considering the last 12-14 months, it is an almost mind-bending experience. Global pandemic, racial unrest in our cities, a divisive Presidential election, businesses closing, businesses re-opening, a vaccine is developed, and mask mandates are deemed unnecessary for those vaccinated. Wow! In all of this, car dealers had to change the way they operate in a nanosecond and jump through numerous hoops just to function. And, here we are.

Sales occurring at an incredible pace and businesses adding to their staff make it feel as if we have indeed turned the corner in so many ways. Yet, it's not all rainbows and puppy dogs is it? Supply shortages continue, consumer confidence is dropping, fears of inflation spread, global concerns on trade policy grow, and increased regulation is staring us in the face—just to name a few potential challenges.

What does this all mean or add up to? It means this is just another year of both challenges and opportunity as there are every year. While each year the challenges differ in size and scope, the constant is that car dealers/entrepreneurs somehow find a way. Finding ways to thrive and not just survive is what this industry does. For every dark cloud there is a new horizon waiting to be embraced.

This month, your Executive Committee met to discuss what is on the horizon for KADA. Those conversations led to discussions on our industry as a whole. What I heard in that

meeting was full of promise, optimism and a sense that we are all well-suited to handle whatever comes our way. I walked away from that meeting with a renewed confidence that our industry will continue to thrive. Dealers will continue to grow and prosper, allowing even more future opportunities for those looking for a rewarding career instead of just a “job.”

As an association, our mission is to navigate through the minefields as best we can. What allows us to do that successfully is our best resource: You. Continue to engage. Continue to be involved and be a part of the solutions to the problems that we will inevitably face. Do so, and I am confident that the sun will continue to shine on our industry that offers so much to so many.

In that spirit, I would ask that you take a moment this Memorial Day weekend to think about sacrifice. And specifically, the sacrifice of those who served something greater than themselves, laying down their lives to ensure America and its friends will be better tomorrow than they were today. It truly does put our own challenges into context when we consider all of those who made the ultimate sacrifice. We are fortunate to live in this country and we are especially fortunate (as I learn each day) to live in the great state of Kentucky.

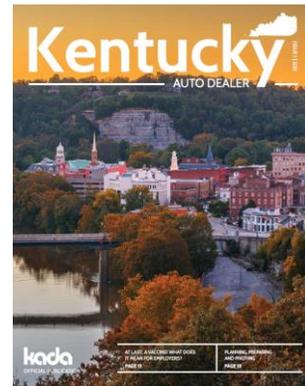
Be well and God bless.

## KADA News

### Introducing the NEW KADA Quarterly Magazine

As the official publication of the Kentucky Automobile Dealers Association, Kentucky Auto Dealer magazine is an indispensable resource to the Kentucky auto industry. Leading the market in current news, technology updates, sales techniques, imminent legislation, and advice on private business practices, Kentucky Auto Dealer is the ultimate guide to success in the industry.

Check out our first issue and all subsequent issues in the link below.



[View Online Magazine](#)

**Kentucky Horsepower Podcast**  
**Sales, inventory and what to expect for the rest of 2021!**



Welcome back to Kentucky Horsepower, the official podcast of KADA!

This week, we sat down with Charlie Chesbrough, Senior Economist at Cox Automotive, to discuss **current events, supply and demand, sales numbers and more.**

The Kentucky Horsepower Podcast is available to listen to in your car, office or at home just like you would to the radio or any other music program.

You can subscribe to the podcast on [Apple Music](#), [Spotify](#), [YouTube](#), or by clicking the link below.

Kentucky Horsepower Podcast

## KADA May Executive Committee Meeting Overview



The KADA Executive Committee met on May 13, 2021 in Louisville at Neil Huffman Automotive. David Moore presented the financial report for the association, indicating the association is on track with all finances, and ahead of the 2021 budget.

Melissa Peach gave the membership report, reviewing the **huge growth in membership** this year. Since the beginning of 2021, there has been a total of **29 new dealer members, 8 allied members** and **5 new preferred partners**. This growth is imperative to the success and effectiveness of the association.

Ron Smith, with Stoll Kennon & Ogden, briefed the Executive Committee on legal issues, while Dan Renshaw presented the NADA Report. President Wilson gave a brief update on the upcoming convention, along with the President's Report. The meeting was very

successful, and the association continues to grow with engagement from dealers and partners across the state.

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# INDUSTRY UPDATE

April 2021

## ECONOMIC INDICATORS

Headline and core inflation both surged in April, as prices are rising substantially in several goods and services.

→ The headline aggregated measure increased 0.8%, while the core CPI, which excludes Food and Energy, increased 0.9% on a seasonally adjusted basis from March. Five components drove almost 60% of the April increase in prices: used cars and trucks (+10%), car rental (+16.2%), lodging (+8.8%), airline fares (+10.2%), and food away from home (+0.3%).

→ The headline unemployment rate increased to 6.1% in April from 6.0% in March. However, the BLS reported that the rate could have been 0.3 points higher if not for misclassification due to confusion about people considered as employed but away from work. This misclassification error rate declined from March, so the likely true headline unemployment rate was unchanged from March.

→ The initial May reading on Consumer Sentiment from the University of Michigan declined 6.2% to 82.8 from 88.3 in April. This left the index down 18% from February 2020. Both underlying gauges of current conditions and future expectations declined. Consumers saw buying conditions for vehicles decline to the lowest level since the Great Recession. Buying conditions for houses also declined and are at the lowest level in 30 years.

## DEMAND

→ Total new vehicle sales were up 111% y/y in April with the same number of selling days compared to April 2020. The April SAAR was 18.5 million, a 113% increase from last year's 8.7 million and the highest monthly SAAR since July 2005. March's SAAR was also revised up to 18.0 million.

### LIGHT VEHICLE SALES

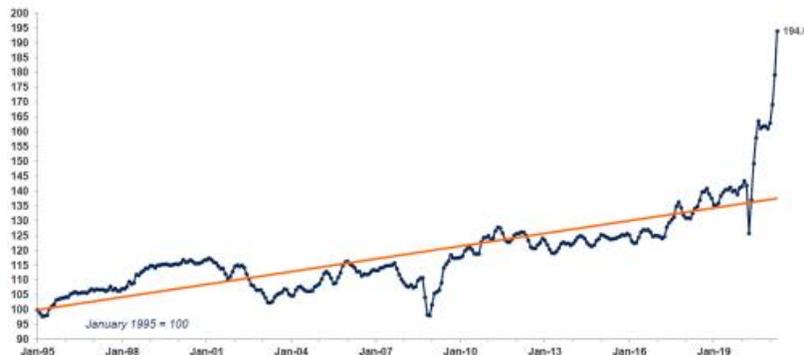
- ↑ 105% Rental
- ↑ 158% Commercial
- ↑ 14% Government

→ Combined sales into large rental, commercial, and government buyers were up 105% y/y in April. Including an estimate for fleet deliveries into the dealer and manufacturer channel, we estimate that the remaining retail sales were up 116% y/y in April, leading to an estimated retail SAAR of 16.3 million, which was up from 7.5 million in April 2020 and up from 13.1 million in April 2019 and up 10.5% compared to 2019. The estimated retail SAAR of 15.4 million was up 83% from last year and up 15% from March 2019's 13.4 million rate.

→ We initially estimate that used vehicle sales were up 69% y/y in April. Compared to 2019, total used vehicle sales were down 2.4%. The April used SAAR was 41 million, up from 23.6 last April and up from 40.5 in March. The April used retail SAAR estimate was 22.4 million, up from 12.5 last year and up from 22.2 in March. CPO sales in April increased 104% y/y but declined 9% m/m. April CPO sales were up 11% compared to April 2019.

## SUPPLY

The Manheim Used Vehicle Value Index jumped 8.3% m/m in April. The increase brought the Index to 194.0, which was a new record and 54.3% higher than a year ago. On a y/y basis, all major market segments saw seasonally adjusted increases in April, but pickups again outperformed the overall market. New Days' supply for April was 33, down 88 days y/y and down 5 days from March.



Source: Cox Automotive Industry Update Report, May 28, 2021



Your Support Drives  
Industry Forward

## KADET Contribution

Ensuring that legislators understand our industry and the impact that proposed legislation could have on **your business** – for good or bad – is a primary function of your KADA team.

Being successful on this front relies on the relationships that we have built and continue to build and nurture with senators and delegates from every locality on your behalf.

**And we need your support to make this happen!** If you haven't done so already, we ask that you donate today and get your name added to the list below.

Thank you to our members who have contributed so far this year. Below is a list of KADA's President, Senate and House Club members as of the distribution of this newsletter.

### President's Club Level - \$2,000

Tammy Coats  
Shane Collins  
Nancy DeCastro  
Tom Gill  
Gary Haupt  
Kimberlee Huffman  
Dann T. Hughes  
Robert Marshall  
Mark Pogue  
Dan Renshaw  
Timothy Sparks  
Larry Stovesand  
Carl Swope  
Mike Tewell

### President's Club Level - \$1,500

Lynn Alexander  
Ray Cottrell Jr.  
David Daunhauer  
Tim Kanaly

### President's Club Level - \$1,000

Bob Allen  
Alton Blakley, Jr.  
Duke Brubaker  
Steve Bachman  
Larry Craig  
Joe Cross  
Joe Cummins  
Dan Glass  
Mark Gold  
Bob Hook, III  
David Jaggars  
Todd Justice  
Jack Kain  
David Moore  
Wilson Sisk  
Fred Tolsdorf  
John Zimmer

### Senate Club Level- \$800

Dwain Taylor

House Club Level- \$500

Travis Flaherty

Dick Heaton

Patti Powell

Michael Reid

Richard Swope

Larry Turpen

[Click here to donate today!](#)

## Welcome New Allied Members

### **Naked Lime**

Nick Fullenkamp

Phone: 937-485-1445

Email: [nicholas\\_fullenkamp@reyrey.com](mailto:nicholas_fullenkamp@reyrey.com)

## KADA Event Information

### 74th Annual Convention



The 74th Annual KADA Convention at the Hammock Beach Resort is just a few weeks away!

The KADA team has been working hard to create a successful and fun event for you, your family and team members. During the business sessions this year, you will hear about topics such as **cybersecurity, business succession planning, urban science**

and **the dealerships of tomorrow**. You'll also get an update on the association from KADA President Jason Wilson, and the latest NADA news from Dan Renshaw.

You and your family will have time to relax and make lasting memories as you enjoy the resort's extensive list of amenities while networking with your fellow dealers and event sponsors.

If you have any questions about convention, please reach out to Leslie Wilson at 502-695-3333 or [lwilson@kyada.com](mailto:lwilson@kyada.com).

To see the full convention schedule, please click the link below.

**We look forward to seeing you June 14-17!**

[Convention Agenda](#)

## KADA Evening Functions



During this year's convention, you will get the chance to have those face-to-face interactions we've all been longing for over the past year. We've planned a variety of fun events to help you and your family make up for lost time.

On Monday, we welcome everyone for the **Chair's Welcome Reception** with a BBQ event, complete with ocean views and a s'mores pit to top off the evening.

Tuesday evening, you'll be able to dance the night away to the sounds of Cuban DJ, Elio Piedra, as we enjoy a **KADA Havana Night!** You will also have an opportunity to learn and see how cigars are rolled.

On Thursday, as we say our goodbyes during the **Farewell Dinner**, you will have time to relax and recap on a wonderful week.

As always during our evening events, there will be a variety of activities for the children and young at heart.

## Convention Speaker Highlight



On Tuesday, hear from Ron Smith, KADA lead legal counsel, and Joe Roesner, President of the Fontana Group, on Urban Science.



On Tuesday, hear from John Iannarelli on the Cybersecurity for Auto Dealerships.



On Wednesday, hear from Glenn Mercer on the Dealership of Tomorrow: A 2021 Update.



On Wednesday, hear from Dan Iosue and Loyd Rawls from the Rawls Group on Business Succession Planning.

# Thank You!

## to our Sponsors

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Dealers Performance Group/Easy Care

## **KADA Next Gen Event**

KADA will be holding our **Next Gen** event on  
**Tuesday, July 20<sup>th</sup>**  
at the **National Corvette Museum**  
in **Bowling Green, Kentucky**.

To find out more information about this event and how to become a KADA Next Gen member, please contact Jason Wilson by calling (502) 695-3333 or by email at [jason@kyada.com](mailto:jason@kyada.com).



[Online Registration Form](#)

[Registration Form \(PDF\)](#)

## **KADA Golf Tournament**



The **KADA Golf Tournament** will soon tee off!

The tournament this year will be on **Monday, August 9<sup>th</sup>** at the **University Club of Kentucky** in **Lexington, Kentucky**.

You don't want to miss this great opportunity to network and have fun with your fellow dealers.

If you have questions, please contact the KADA office at (502) 695-3333 or email

Leslie Wilson, CMP at [lwilson@kyada.com](mailto:lwilson@kyada.com).

Golf Sponsorship  
Information

Online Golf Sponsorship  
Registration



Player Registration  
Paper Form

Online Golf Player  
Registration



## Motor Vehicle Commission Corner

According to the Kentucky Transportation Cabinet Motor Vehicle Title Transfers are at historical highs.

Month	Clerk Processed
Jan	Total: 136,842 / daily avg: 6,842
Feb	Total: 117,000 / daily avg: over 6,800
Mar	Total: 202,000 / daily avg: 10,000
Apr	Total: 194,000 / daily avg: 9,600
May (so far)	Daily avg over 8,000

The National Click It or Ticket Campaign Started This Week from May 17 through June 6. This is a reminder for drivers and passengers to "Buckle Up."

The Kentucky Motor Vehicle Commission has made an upgrade to its software that will provide dealers the option to pay for services with electronic payment which is now available. A dealer may contact [kristina.bruner@ky.gov](mailto:kristina.bruner@ky.gov) for access assistance.



## NADA and Other Regulatory News

### Auto Shows Thriving in a COVID World

There is no question that the coronavirus pandemic has changed the way dealers do business and sell cars, but one thing that hasn't changed is the value of auto shows to consumers. To meet consumer demand for vehicles and for an in-person experience, auto show organizers across the country are revamping their respective auto shows to operate in the COVID-19 environment.

Moving into the remainder of 2021 and beyond, auto show organizers are hopeful that OEMs will continue their support by participating in shows across the country.

[Read Full Article](#)

### NADA Dealership Energy Use Survey

Since 2007, the National Automobile Dealers Association (NADA) has partnered with ENERGY STAR to educate dealerships on energy efficiency and cost-saving strategies and opportunities. The data collected by NADA in this survey will be provided in aggregate to the Environmental Protection Agency's (EPA) ENERGY STAR program, where it will be analyzed and used to enable dealerships to receive a 1-100 ENERGY STAR score and to earn ENERGY STAR certification.

Please click the link below to participate in the survey.

[Survey Link](#)

## Preferred Partner Spotlight: MOC Mid-Atlantic



Dealer Merchant Services provides a unique and compliant solution to help automotive dealers take advantage of the recent legislative changes with software backed by a U.S. Patent.

KADA preferred partners are an integral part of our organization. Please support those who support your association.

For more information, contact:  
Amberly Joseph

[amberly@dealermerchantservices.com](mailto:amberly@dealermerchantservices.com)  
817-404-9523

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