

# THE CO\$T OF COMPLIANCE

How you apply the principles of compliance directly affects the overall cost of compliance to your business.

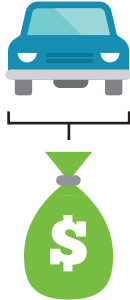
A typical U.S. dealership with revenue of

**\$38,000,000**

incurred an annual average cost of

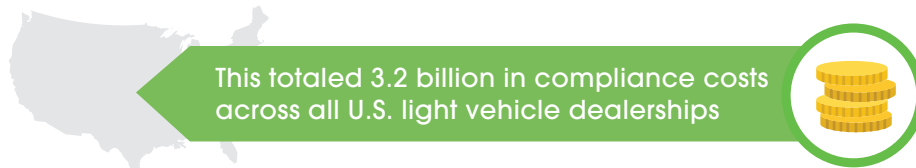
**\$182,754**

in federal regulatory compliance costs.



These costs amounted to:

<b>21.7%</b>	of the average dealership's before tax net profits
<b>\$2,371</b>	per dealership employee
<b>106</b>	vehicle sales
<b>\$100</b>	mean cost per vehicle



It also represented a **3.7%** increase in dealership expenditures:

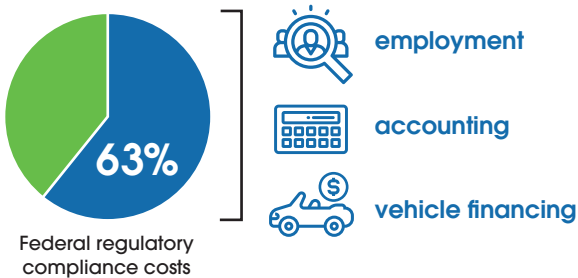
**↑ 3.7%** increase in expenses equates to a

**↓ 26%** net profit decrease

to make up that profit, dealers would need to increase vehicle prices **↑ 3.2%**

## NUMBERS AT A GLANCE

Regulations pertaining to employment, accounting and vehicle financing make up more than **63%** of all estimated federal regulatory compliance costs:



The administration of vehicle financing accounts for **71%** of vehicle finance compliance costs and **26%** of total dealer compliance costs.

Vehicle regulations governing safety emissions make up **21.5%** of dealer compliance costs.

## OVERALL IMPACT

**↓ \$441,332**

Dealerships lost an estimated **\$441,332** worth of net business & economic activity due to federal regulatory compliance costs.

**\$7.7B**  
**↓ 10,550**

This resulted in an estimated economic cost to light vehicle dealerships of **\$7.7 billion**, and a **10,550 reduction** in direct dealership employment.

**↓ \$10.5B**

Overall impact to U.S. economy is estimated at **\$10.5 billion** in lost economic output.



Contact EFG today to cultivate a profitable culture of compliance.