

THINK LIKE AN F&I MANAGER

EFG Subprime Intelligence

ARE F&I PRODUCTS PART OF YOUR PROFIT MIX?

According to recent NADA data:

- F&I accounted for an average of **39.6% of 2014 gross profit**, and 38.8% of 2013 gross profit for both new and used vehicles.
- F&I product sales made up **16.3% of gross profits in 2014**, which was up from 16% in 2013.

F&I managers everywhere are under significantly more pressure to reduce their reliance on finance reserve. With a looming **flat fee lending environment**, both dealerships and lenders can **profit from F&I product sales**.

Dealerships can cushion their overall profitability, while also **increasing customer referrals and retention** through products that **encourage customers to return to their service centers**. Meanwhile, lenders can make their loans more **marketable to dealerships and consumers**, as well as **protect their loans** from default.

