

# THINK LIKE AN F&I MANAGER

EFG SubPrime Intelligence

## An F&I Manager's Needs-Based Audience

We'd like to revisit the person sitting across from an F&I manager. In August, we discussed the fact that the person stuck in a low-wage job has accounted for the **largest share of recent U.S. job growth**. After years of stagnation, job cutting and wage decreases, wages are finally starting to rise after the third quarter of 2013.

Having survived one of the worst economic downturns in decades, consumers are still wary about spending, which is why they worked so hard to build up their savings accounts again. Yes, spending has also increased, however the trend is for consumers to **spend on must-haves, not wants**. According to a recent, independent study from EFG Companies, two primary reasons consumers replace their cars are the vehicle's current mileage and the looming cost of repairs. E.G., they will **wait until they need a replacement vehicle** before biting the bullet.

With consumer confidence down and savings trends up, the person sitting across from an F&I manager wants the assurance that their savings will not have to be spent on unexpected vehicle repairs. For this reason, that F&I Manager will have an easier case building value with customers by presenting **a loan packaged with vehicle protection products** designed to protect **the very thing they value the most: their money**. These loans boost dealer's penetration numbers while providing reliable consumer protection. Everybody wins.

## Current Consumer Mindset:



### CONSUMER SAVINGS RATE

**CLIMBED** to 4.6% from 4.5%; while

### WAGES AND SALARIES

**INCREASED** 0.4% after falling 0.3%



### CONSUMER SPENDING

**ROSE** in August **for a fourth consecutive month** as a pickup in incomes supported the biggest part of the economy.



### CONSUMER CONFIDENCE

**DECLINED** in September to 77.5 from an August reading of 82.1

## Auto Buyer Mindset:



Cheaper borrower costs have helped keep the auto industry **AT THE FOREFRONT OF THE REBOUND**.



### AUTO SALES

US sales of light vehicles **SLIPPED** 4% to 15.3 million last month.