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Accounting in Crisis: Addressing Talent Shortages in Dealerships

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If you've tried to hire dealership accounting staff lately, you already know it can be an uphill battle. You're not alone - **83% of dealership leaders say they're struggling to find qualified candidates.**

The reality is, the talent shortage isn't just impacting dealerships; it's part of a nationwide crunch. The number of accounting professionals is rapidly declining in the U.S. every year. Meanwhile, the number of students graduating with accounting degrees is falling, and those who do enter the field are being recruited by higher-paying and faster-moving industries.

As the talent pool shrinks, the workforce as a whole ages, and your most tenured employees inch towards retirement. Many of the most experienced dealership controllers are retiring, often with no one lined up to take their place. That kind of expertise isn't something you can pick up overnight, and dealership-specific accounting isn't covered in most traditional education programs.

Dealership accounting is far from your ordinary bookkeeping. It's a specialized skill set that blends traditional accounting with the quirks of manufacturer incentives, F&I complexities, inventory management, and so much more. There's no crash course for dealership accounting in college, and to do the job well, you need a solid understanding of the dealership itself.

To complicate things even more, the industry itself is continuously evolving, with new wrinkles like EV incentives, changing tariffs, and ever-changing manufacturer requirements. Unfortunately, the person who seems to effectively navigate it all may eventually walk out the door. When that person is your controller, the effects can be felt immediately if there's no succession plan in place. Month-end closes drag on, incentive claims start to slip, reporting errors slip through the cracks, and your bottom line quickly takes a hit.

So, what does a dealership do to avoid a scramble when your go-to person leaves? The answer, as simple as it sounds, is to plan ahead. Here are some key action items to consider now:

-Build a Succession Plan – Identify future leaders on your team now and give them growth opportunities to reduce the scramble when retirements occur.

-Cross-Train Staff – Build flexibility within your team by ensuring multiple people can perform essential tasks, so work doesn't stall when someone's out. (Personnel rotation will also strengthen your internal controls, by reducing the risk that someone could conceal errors or fraud in "their" area.)

-Document, Document, Document! – Clear and up-to-date written processes and procedures serve as a financial survival manual and shorten onboarding time.

-Outsource Strategically – Partner with CPA firms that offer outsourced or fractional accounting services to keep things running smoothly during vacancies.

-Leverage Technology – Use DMS-linked bank reconciliations, AI-assisted expense categorization, and workflow automation to cut down on manual entry and improve accuracy.

-Invest in Retention – Competitive pay, professional development, and strong workplace culture will keep your best people engaged.

-Plan for Crisis - Build a contingency plan and use recent industry disruptions (like the CDK cyberattack) as a blueprint.

At the end of the day, financial continuity is dependent on being prepared before crisis hits. By investing in people, processes, and tools, you position your dealership to weather staffing challenges. Consider preparation to be an insurance plan, because when it comes to your dealership's financial stability, **the cost of prevention is always less than the cost of disruption.**

For further guidance on preparing for talent turnover and shortages, or further insight on the benefits of strategic outsourcing, consult your **AutoCPAGroup** member. ¶

Second Quarter 2025 Review of the Auto Dealer Industry by Metrics: Rewind to 2019

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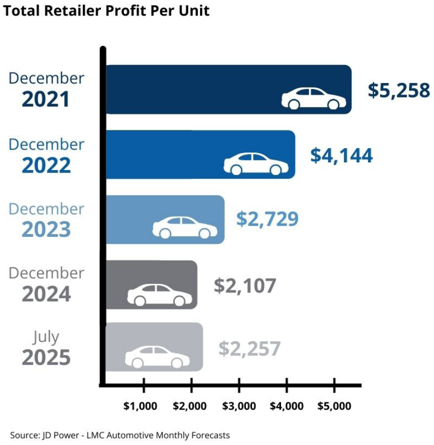
Imagine getting in the car and the top two songs playing are "Lover" by Taylor Swift and "All I want for Christmas" by Mariah Carey. You're driving to go see the top movie at the box office: Star Wars: The Rise of Skywalker. No, it's not December, 2019 or I'm not trying to retrain your brain to forget the summer heat and actually think it's Christmas in July or August.

After reviewing some of the key automotive statistics, one might think we have reverted back to December, 2019. In some metrics, conditions have returned to "normal" before the pandemic. But if we look out the front windshield, it's not exactly 2019.

In this article, I will review and discuss several key metrics, new vehicle profitability, the supply of new vehicles, average trade-in equity of used vehicles and vehicle miles travelled. Additionally, I will highlight some potential trends occurring in electric vehicle production as a result of the One Big Beautiful Bill Act.

Vehicle Profitability

Total retailer profit per unit realized by auto dealers has continued to decline and normalize since an industry peak of $5,258 per unit in December 2021. The current July, 2025 figure of $2,257 per unit (up from $2,107 in December, 2024), has almost normalized to pre-Covid levels of $2,053 per unit.



Supply of New Vehicles

During the pandemic and periods of recovery, evidence of tight supply of new vehicles could be seen in the lack of inventory on auto dealers lots around the country. The monthly forecast by JD Power reports the average days for new vehicles to sit on a dealer's lot at 50. This figure is up considerably from a low of 17 at December 2021. Pre-Covid levels hovered around 72 days, and certain OEMs are approaching these figures today.

JD Power reports that 29.6% of new vehicles will sell within 10 days of arriving at the dealership, down from a peak of 58% of new vehicles selling within 10 days in March 2022.

Average Trade-In Equity of Used Vehicles

Used vehicle transaction prices have been trending up in 2025, like their new vehicle counterparts. Since fewer new vehicle units have been available to sell over the last few years, fewer used vehicles have been traded into the dealer for reselling.

Like the other metrics already discussed, average trade-in equity continues to normalize. JD Power reports this figure at $7,894 for July 2025, compared to a high of $10,199 reported in December 2021.

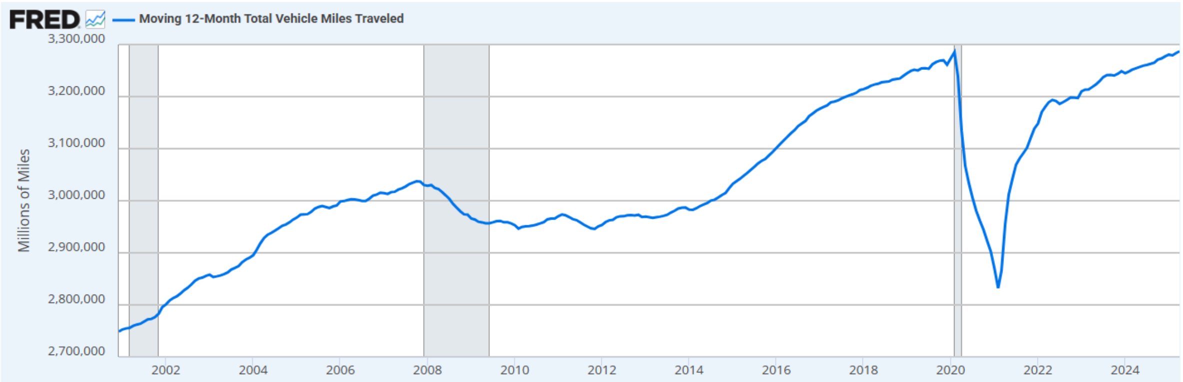
Despite some small improvements in interest rates, consumers still tend to focus more on their monthly payments. Average monthly finance payments for July are on pace to be $742, up $12 from this time last year.

Vehicle Miles Traveled

Another key indicator that portrays the health of the automotive industry is the number of miles driven or vehicle miles traveled ("VMT").

As with the number of vehicles in service, the number of miles driven contributes to the fixed operations of an auto dealer, as vehicles will require more parts and service when they are driven more frequently or for longer distances.

VMT has been tracked since 1971, and a graphical view of the rolling 12-month average from April 2002 through the present can be seen below:



The current rolling-12 month total of 3.287 trillion miles is the first time this figure has eclipsed pre-Covid numbers, signaling a full recovery since people were shuttered at home and off the roads during the early months of the pandemic.

Electric Vehicles
Along with the passage of the One Big Beautiful Bill Act, the $7,500 federal credit for electric vehicles (EVs) will lapse on September 30. Some experts believe this sunset provision will accelerate some EV purchases from later this year or early next year. A current snapshot view of all new vehicles purchased still reflects a heavy concentration in internal combustion engine (ICE) vehicles.

Contact your **AutoCPAGroup** member to discuss current metrics and trends in the auto industry. ¶

Workforce Development Incentives in the One Big Beautiful Bill: What Dealers Need to Know

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Recruiting and retaining qualified employees has long been a challenge in the auto industry, especially in service departments and sales teams. Dealerships across the country continue to struggle with technician shortages, high turnover, and a tight labor market. The One Big Beautiful Bill (OBBB), recently signed into law, aims to address some of these issues-offering new opportunities for employers who invest in training and workforce development.

While the bill doesn't deliver direct hiring subsidies, it strengthens and expands several federal tax credits tied to workforce participation and apprenticeship programs. This includes enhancements to the Work Opportunity Tax Credit (WOTC), as well as new thresholds for employers to qualify for full benefits under other incentives. Dealerships that already participate in certified apprenticeship or training programs - or are considering them - may now find added tax and compliance advantages.

From an operational perspective, this shift is more than just a tax opportunity. It's a call to revisit how your dealership approaches hiring, onboarding, and employee development. Employers that hire individuals from targeted groups, such as military veterans or long-term unemployed individuals, may qualify for enhanced credits under the updated WOTC rules. Additionally, businesses that meet specific apprenticeship or labor participation criteria may avoid certain penalties under other tax provisions in the bill.

To take advantage of these incentives, dealerships will need to ensure their workforce programs are properly documented and aligned with federal guidelines. That means reviewing job descriptions, updating payroll codes to track qualifying employees, and maintaining clear records of training or certification milestones. Dealerships that use third-party payroll or HR software should verify that their systems can capture and report the data needed to claim available credits.

Finance and operations leaders may also want to evaluate partnerships with local technical schools, apprenticeship programs, or industry associations that offer certified training pathways. Establishing a formal relationship with one of these programs not only improves employee skill levels, but may also make it easier to comply with OBBB-related requirements.

Perhaps most importantly, these provisions highlight a shift in how workforce development is being incentivized at the federal level. Rather than offering blanket benefits, the bill increasingly rewards employers who invest in employee development, target historically underserved populations, and document those efforts in a verifiable way. For dealership owners, that means better alignment between talent strategy and financial outcomes.

In a competitive labor market, participating in qualifying programs could give your dealership an operational edge - not just in recruiting, but in building a workforce that stays longer, performs better, and helps unlock valuable tax benefits in the process.

As the implementation of the OBBB continues, now is a good time to work with your AutoCPA Group advisor to assess whether your current hiring and training practices align with these new opportunities. The path to a stronger workforce might also lead to a stronger bottom line.

To discuss this issue further, contact your **AutoCPAGroup** member. ¶

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