The Economic Significance of Connecticut Automotive Dealers

By:

Prof. Fred Carstensen, Director

Peter Gunther, Senior Research Fellow

Connecticut Center for Economic Analysis

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Executive Summary

The CT Automotive Retailers Association retained the Connecticut Center for Economic Analysis (CCEA) to assess immediate and long-term impacts of its members' business on the state's economy. This report projects those impacts out to 2040 by which time current industry dynamics and public policy points to most new vehicles being electric.

Locally based automotive dealers enhance Connecticut quality of life through sustained relationships involving sales, repair and maintenance (R&M), as well as licencing, financing, and instruction to take full advantage of evermore sophisticated embedded electronics and guidance systems With GPS embedded in vehicles, dealer services contribute to keeping drivers on route and passengers safer while also facilitating creature comforts. Customers are informed of choices available to them in consultation with sales personnel as well as, for the computer savvy, by ordering electronically from manufacturers' sites for pick-up at dealerships or to arrive at dealers with preconceived detailed ideas to shape their order. In that limited sense, e-commerce complements dealer activities.

Dealers continue to participate in and contribute to community activities, particularly technical schools, through sponsorships and contributions. In addition, manufacturers and dealers invest in life-long training of personnel. These programs are particularly intensive for novice mechanics but are also sustained throughout their careers in order to keep pace with technological advances, particularly germane during the transition from fossil fueled to electric vehicles, to maintain safety in the workplace and on the roads.

This report first estimates the economic impact of 247 Connecticut dealers in new and used vehicle sales as well as their R&M activities. The second estimate projects the implications of a worst-case reaction to the Bill 127, currently before the Connecticut Senate, legislation that would permit direct sales of electric vehicles (EVs) with no physical presence (or personnel) in-state, a radical departure from long-established practice.

In essence, Bill 127 proposes to grant special access to Connecticut markets for manufacturers of only EVs that would allow them to sell directly to consumers with no support or presence of dealerships. If passed, it would at present apply only to a handful of stand-alone global companies manufacturing exclusively EVs, they could then market in Connecticut. Yet, established manufacturers are trending toward manufacturing exclusively EVs, most notably Volvo and General Motors (GM), by 2035. While those legacy manufacturers who move to just EV production are unlikely to terminate contracts with all current dealers in Connecticut, legally they could. Volvo and GM and any other manufacturer behaving similarly would qualify under Bill 127 to sell directly.[1] If passed, Connecticut Senate Bill 127 would establish an uneven playing field now and unnecessarily increase mid-term risks to Connecticut dealers and the State's economy. It clouds dealers' and their employees' futures while threatening sales and vehicle service levels that Connecticut customers legitimately expect. If the current structure for

[1] Connecticut General Assembly Committee Bill 127 An Act Concerning the Sale of Electric Vehicles in the State (LCO No. 5776) TRA Section 2.

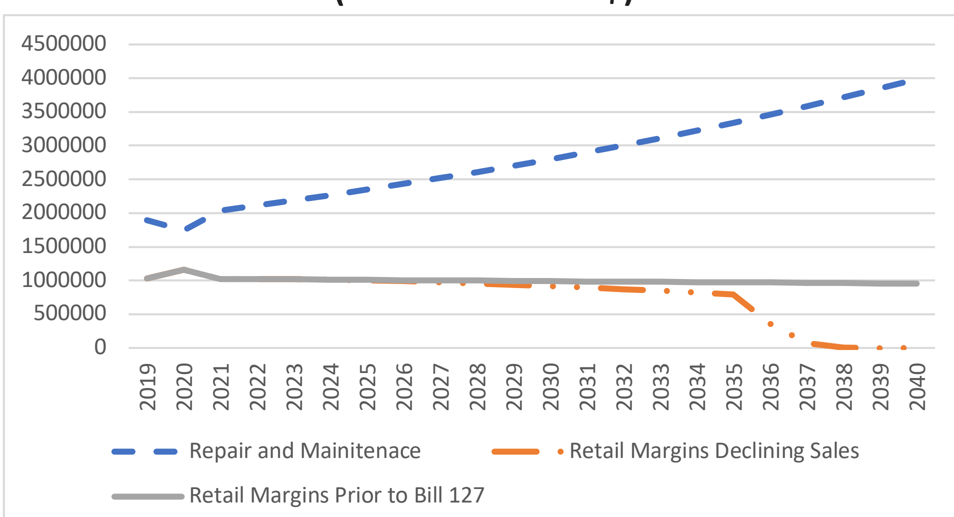
marketing is maintained, the playing field would remain level and the future clearer. Dealers are not opposed to incentives to buy EVs as part of greening the state, but the playing field needs to remain even for all sales channels.

Dealers welcome EVs and market them. Dealers have, and given the status quo, will continue to green the Connecticut economy, investing in solar and charging stations for EVs. These investments have included at least $4.0 million sunk in EV charging infrastructure and another $3.7 million pending as well as $11 million spent on other planned renewable energy sources and $4.1 million forthcoming. As part of marketing EVs by dealers, such serious investments are all the more reason not to provide competitive advantage to EV brands produced and marketed solely by out-of-state global EV manufacturers. Using CARG from 2010 to PreCovid-19, 2019 to extend both series, retail margins decrease annually by 0.38% while R&M grows at 3.59%.

The second scenario is speculative and differentiated from it. Due to the competitive advantages Bill 127 gives external EV manufacturers, CCEA anticipates a plausible annual decline of 0.27% until 2035, when Volvo and the big three auto companies are manufacturing exclusively EVs and are thus positioned to terminate dealer contracts as manufactures of only EVs. Sales operations at all dealerships are displaced by the end of 2040. The constant annual rate of decline in retail margins from 2036 onward is asymptotic to zero in 2041.

Chart E-1 illustrates annual expected retail margins and R&M operations 2019 to 2040. Blips in 2020 are attributable to Covid-19 and related policies to stimulate demand. Longer -term variations are covered above.

Chart E-1: Connecticut Dealer Revenue Streams 2019 to 2040 (Millions Current $)



R&M operations are not impacted by Bill 127 but remain intact to service vehicles no matter the sales origin. While some adjustments could be made for lower expected R&M on EVs relative to fossil-fueled vehicles, those have not been taken into account to avoid cluttering the analysis. Due to differential growth rates, expanded R&M cushions declines in retail margins, especially with dealer displacements.

Using REMI 2.4.1, adjusted for Covid-19-reduced survival rates, this impact study assesses the economic role of Connecticut automotive dealers from two perspectives: 1) assuming a continuation of the current framework in which all in-state sales must flow through dealerships or in-state showrooms; 2) projecting the results of Bill 127 where current dealerships are terminated. Impacts between the total impacts and status quo sales impacts represent dealers' R&M.

Under the status quo, current dealer impacts through direct, indirect, and induced economic linkages employ 40,460 residents in 2021; with expanding markets offset by productivity increases, employment grows to 41,050 by 2040.

PreCovid-19, linked employment was concentrated directly and indirectly in Sales and Maintenance jobs, but also impacted over a thousand jobs in Transportation and Material Handling, Management, Grounds Keeping, and Health Care. Over time, higher rates of growth in R&M relative to Sales result in occupational shifts out of sales to adjust to changing demands.

Dealers and their linked industries adjusted to Covid-19 by expending sales forces and health care personnel. Other occupations generally shrunk by small amounts.

If manufacturers take full advantage of Bill 127, dealers will be hesitant to invest so that there is likely to be a decline at 0.2% annually in their retail margins out to 2035 when dealer sales could decline rapidly. Connecticut fairs badly if that direction were to be followed by all exclusive manufacturers of EVs.

Bill 127 increases risks to dealers, employment, and the trajectory of Connecticut's economy: by 2040 those risks would threaten:

- 40,239 jobs
- Real GDP valued at $3.9 billion;
- Current dollar GDP worth $6.0 billion;
- PI of $1,125 million
- DPI of $971 million; and
- State revenues worth $431 million.

While Bill 127 adds to risks of manufacturers stepping away from dealerships, history indicates that they are unapt to do so.[2]

Increasing such risks to Connecticut's development is contrary to reversing Connecticut's dire growth performance. Recently, the Pew Charitable Trust joined CCEA in recognizing that Connecticut growth was the worst among all states from 2007Q4 to 2019Q4, Connecticut and two other states grew at the slowest annual rate (0.9%), less than half the national rate[3]. Bill 127 undermines reinvigoration of Connecticut's economy and ought not to pass.

[2] In 1896, when manufacturers originally tried to sell directly, they quickly realized that they needed a franchise system that has evolved over good times and bad despite one manufacturer's failed brief attempt to void the system from the mid the 1990s to 2003.

[3] Barb Rosewicz, Mike Maciag and Joe Fleming, State's Personal Income Growth Was Higher=st in 20 Years, The Pew Charitable Trust, April 27, 2021.

State Economic Impact of Connecticut Automotive Dealers

Context

Connecticut automotive dealers directly impact the economy through two industries – retail sales of new and used vehicles, and repair and maintenance (R&M) operations. This report includes only used vehicle sales from new car dealers while excluding those from other non-dealer lots or in-person sales. It discusses two situations – continuance of the "Status quo", and, how Bill 127 would allow, the emergence of an e-commerce out-of-state structure by 2035 with displacement of dealer-sales operations by 2040 but with continued dealer R&M operations.

Status Quo

Locally based automotive dealers enhance Connecticut quality of life through sustained relationships involving sales, R&M, as well as licencing, financing, and instruction to take full advantage of evermore sophisticated embedded electronics and guidance systems With GPS embedded in vehicles, dealer services contribute to keeping drivers on route and passengers safer while also facilitating creature comforts. Customers are informed of choices available to them in consultation with sales personnel as well as, for the computer savvy, by ordering electronically from manufacturers' sites for pick-up at dealerships or to arrive at dealers with preconceived detailed ideas to shape their order. In that limited sense, e-commerce complements dealer activities.

Dealers continue to participate in and to contribute to community activities, particularly technical schools, through sponsorships and contributions. In addition, with manufacturers and dealers, invest in life-long training of personnel. These programs are particularly intensive for novice mechanics but are also sustained throughout their careers in order to keep pace with technological advances, particularly germane during the transition from fossil fueled to electric vehicles to maintain safety both in the workplace and on the roads.

In essence, Bill 127 proposes to grant special access to Connecticut markets for manufacturers of only electric vehicles (EVs) that would allow them to sell directly to consumers with no support or presence of local dealerships. If passed, it would at present apply only to a handful of stand-alone global companies manufacturing exclusively EVs, they could then market in Connecticut without the presence of dealer networks. Yet established manufacturers are trending toward manufacturing exclusively EVs, most notably Volvo and General Motors (GM), by 2035. While those legacy manufacturers who move exclusively to EV production are unlikely to terminate contracts with all current dealers in Connecticut, they could. Volvo and GM and any other manufacturer behaving similarly would qualify under Bill 127 to sell directly.[4]

If passed, Connecticut Senate Bill 127 would establish an uneven playing field now and unnecessarily increase mid-term risks to Connecticut dealers. It clouds dealers' and their employees' futures while threatening sales and vehicle service levels that Connecticut customers legitimately expect. If the current structure for marketing is maintained, the playing field would remain level and the future clearer. Dealers are not opposed to incentives to buy EVs as part of the greening of the state, but the playing field needs to remain even for all EV sales.

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[4] Connecticut General Assembly Committee Bill 127 An Act Concerning the Sale of Electric Vehicles in the State (LCO No. 5776) TRA Section 2.

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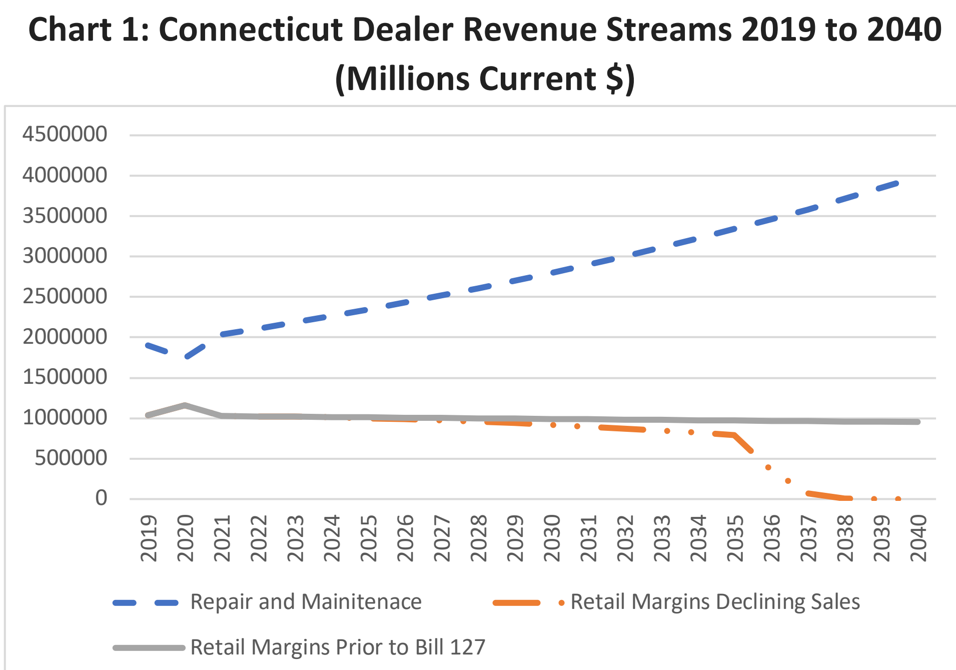
The second scenario is speculative and differentiated from the status quo. Due to the competitive advantages Bill 127 gives EV manufacturers, CCEA anticipates a plausible annual decline of 0.27% until 2035, when Volvo and the big three auto companies are manufacturing exclusively EVs and are thus positioned to terminate dealer contracts as manufactures of only EVs. Sales operations at all dealerships could cease in 2040. The constant annual rate of decline in retail margins from 2035 onward is asymptotic to zero in 2041.

Chart 1 illustrates annual expected retail margins and R&M operations 2019 to 2040. Blips in 2020 are attributable to Covid-19 and related policies to stimulate demand. Longer -term variations are covered above.



R&M operations are not impacted by Bill 127 but remain intact to service vehicles no matter the sales origin. While some adjustments could be made for lower expected repairs on EVs relative to fossil-fueled vehicles, those have not been taken into account to avoid cluttering the analysis. Because of the differential rates of growth, expanded R&M cushion declines in retail margins, especially in the case of dealer displacements.

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Using REMI 2.4.1, adjusted for Covid-19-influenced survival rates, this impact study assesses the economic role of Connecticut automotive dealers from two perspectives: 1) assuming a continuation of the current framework in which all in-state sales must flow through dealerships or in-state showrooms; 2) projecting the results of Bill 127 where are current dealerships are displaced Impacts between the total impacts and status quo sales impacts represent dealers' R&M.

During Covid-19 in 2020, demands shrank in both markets. Falling demand for new and used vehicles (-4.08%) was little more than half the percentage shrinkage in maintenance and repair (-8.15%). Demand was sustained by government income support programs while repair and maintenance revenues were impacted adversely by travel restrictions and distance reductions. The mean daily Vehicle Miles Travelled (VMT) significantly decreased 43% in the post stay-at-home period in 2020. The mean 2020 daily counts of crashes also fell after the stay-at-home order was enacted, which also reduced accidents and demands for all repairs.[5]

In the wake of 7,935 Covid-19 Connecticut deaths. (See Appendix A), CCEA has amended REMI's base case to take Covid-19 deaths into account by reducing survival rates among decennial cohorts by gender for Connecticut citizens in 2020 and 2021. CCEA's resulting diminished short-term to mid-term estimated population data more realistically depict the future than do the current REMI base case projections. In CCEA's base case, CT population levels return gradually to pre-Covid-19 expectations in 2041 so Covid-19's demographic impacts continue throughout the period being analyzed albeit at decreasing levels. CCEA reports impacts of dealer and repair displacement relative to CCEA's Covid-19 revised case.

Impacts of Connecticut Automotive Dealers on the Connecticut Economy

Introduction

While REMI is built to analyze outputs and/or employment impacts by industry, exceptions occur in retail and wholesale where impacts are based on margins alone. Dealer Association data allow CCEA to identify marketing expenses covered out of retail margins other than vehicle purchases, as well as related net profits before taxes earned from each part of dealer operations. CCEA has deployed these data as a proxy for retail margins on new and used vehicles. Repair and maintenance data are based on dealer revenues of those operations. Based on these two industries, CCEA has undertaken an impact study of the importance to 247 member dealers on the Connecticut economy. Through both activities, dealers try to generate and retain customer loyalty by being closely aligned with customer needs and building trust relationships.

[5]Mitchell L Doucette[1 2], Andrew Tucker[3], Marisa E Auguste[3], Amy Watkins[2], Christa Green[2], Flavia E Pereira[4], Kevin T Borrup[2 5], David Shapiro[6], Garry Lapidus[2 5] Inj Prev. 2021 Feb;27(1):3-9. doi: 10.1136/injuryprev-2020-043945. Epub 2020 Oct 28. **Initial impact of COVID-19's stay-at-home order on motor vehicle traffic and crash patterns in Connecticut: an interrupted time series analysis.** With the harshness of covid-19, rates in the types of crashes shifted toward those frequently involving suicidal intentions. Single vehicle crash rates significantly increased 2.29 times, and specifically single vehicle fatal crash rates significantly increased 4.10 times when comparing the pre-stay-at-home and post-stay-at-home periods. Repairs from such serious crashes often fall outside the market segment occupied by dealer repair and maintenance operations.

By displacing automotive dealers from the state as noted above, CCEA assesses their current and longer-term impacts on Connecticut. The results of both views on employment, income and the fiscal capacity of the state and local governments are discussed below.

Employment

The REMI model indicates that in 2019 and 2020, dealers employed 28,843 and 30,139 full and part-time directly in both dealer activities.[6] Employment percolates through the economy because dealers purchase inputs from other Connecticut industries, adding indirect employment. In addition, both direct and indirect employees spend some of their earnings creating additional demand-end employment known as induced impacts as do induced employees themselves[7]. Summing these employment series yields the total employment impacts captured by type in Table 1A.

Had there been no auto dealers in Connecticut in 2019 and 2020, Connecticut employment would have been lower by 40,460-40,741 jobs annually. Specific numbers by year are presented in Table 1A out to 2024.

Table 1A: Connecticut Jobs and Multipliers of Automotive Dealer Association Members' Jobs 2019- 2024

	2019	2020	2021	2022	2023	2024
Direct Jobs Impacts	28,852	30,234	30,287	29,936	29,035	28,075
Indirect	5,305	5,305	5,250	5,093	4,824	4,547
Induced	6,302	5,202	5,809	6,021	6,013	5,986
Total	40,460	40,741	41,346	41,051	39,871	38,609
Multiplier	1.40	1.35	1.37	1.37	1.37	1.38

Sheet 1 950

Of this employment R&M operations accounted for 27,396 jobs in 2019 and, with decreased travel, 15,376 jobs in 2020. Subsequently, employment increases over time from aa activities grow at 3.59% in line with the earlier CAGR form 2010-2019. Thereafter to 2040 as repair activities fill part of the void left by displaced sales. Throughout employment multipliers are higher in R&M than in Sales activities due to stronger linkages within the state.

Table 1B: Connecticut Jobs and Multipliers of Automotive Dealer Association Members' Repair and Maintenance Jobs 2019- 2024

	2019	2020	2021	2022	2023	2024
Direct Jobs Impacts	18,274	15,376	16,708	17,187	17,571	17,949
Indirect	3,498	3,189	3,011	2,898	2,753	2,624
Induced	5,623	4,502	3,920	4,063	4,096	4,143
Total	27,396	23,067	23,639	24,148	24,420	24,716
Multiplier	1.50	1.50	1.41	1.41	1.39	1.38

[6] REMI employment in 2019 is slightly higher than the association's estimate of 28,285.
[7] Also inclusive of induced demands from inclusive of demand from earlier induced effects.

Sheet 2 1530

REMI model employment multipliers generally have lower values than do those in static models because dynamics allow population to adjust and find alternative employment when and where jobs are available. Relative to the declining and then flattening dealer multipliers in the table, subsequent multipliers grow gently from 2024 to 2040 when they reach 1.41.

Direct, indirect and induced jobs are over 90% concentrated in occupations with over 1,000 jobs in each of the occupations in Table 2A. In 2019, PreCovid-19 and thereafter the leading occupations were Sales and Related Office Administration and support, and Installation Maintenance and Repair, as well as Transportation and Material Moving. In 2019, the first two of these accounted for over half the jobs. During Covid-19 employment expended particularly in Sales et al, construction and extraction, and health care. Maintaining current local distribution channels would continue to support these occupations for the foreseeable future.

Shown over time in the last two columns, higher rates of growth in R&M relative to Sales result in occupational shifts to adjust to changing demands.

Table 2A: Connecticut Occupational Jobs Dependent on Automotive Dealer Sales and Repair and Maintenance Operations (1,000s Jobs) 2019-2040

Occupations		Pre-Covid-19	Covid-19	2030	2040
Sales and related, office and administrative support occ	Thousands (Jo	13.937	14.372	9.794	7.931
Installation, maintenance, and repair occupations	Thousands (Jo	8.342	7.901	8.424	8.528
Transportation and material moving occupations	Thousands (Jo	4.537	4.379	4.137	4.056
Management, business, and financial occupations	Thousands (Jo	2.857	2.838	2.213	2.168
Construction and extraction occupations	Thousands (Jo	2.121	2.574	0.944	0.741
Production occupations	Thousands (Jo	1.966	1.873	1.638	1.607
Building and grounds cleaning and maintenance,person	Thousands (Jo	1.620	1.464	1.356	1.331
Healthcare occupations	Thousands (Jo	1.302	1.250	1.193	1.248
Other	Thousands (Jo	3.779	4.090	4.143	3.854
Total	Thousands (Jo	40.460	40.741	33.843	31.463

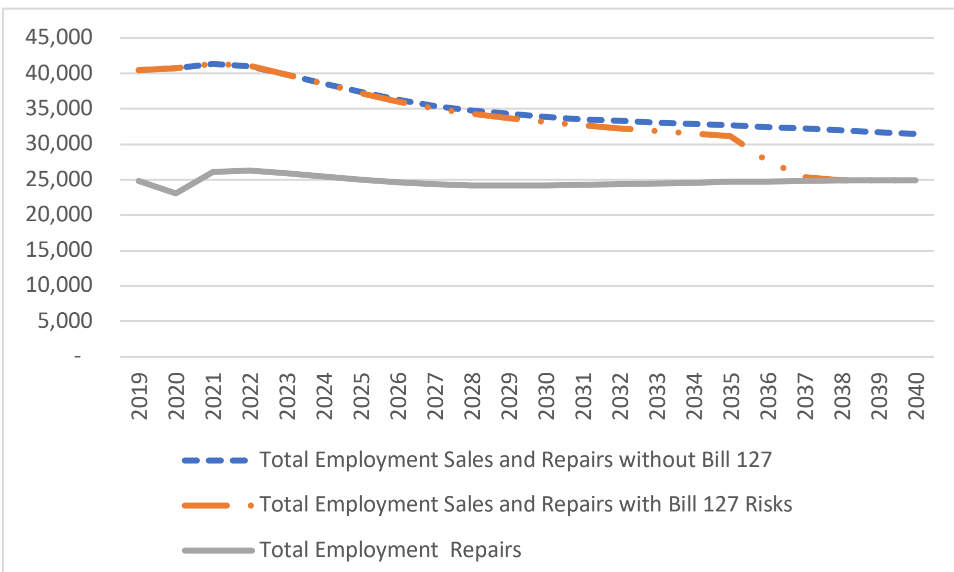
To facilitate comparisons, Table2B contains jobs by the same occupations for only dealer R&M operations. The differences with the previous table are jobs dependent on dealer Sales operations are omitted. Slightly higher historical growth rates in R&M than the rest of the economy offset productivity gains so there is minor job growth over time.

Table 2A: Connecticut Occupational Jobs Dependent on Automotive Dealer Repair and Maintenance Operations (1,000s Jobs) 2019-2040

Occupations		Pre-Covid-19	Covid-19	2030	2040
Sales and related, office and administrative support occ	Thousands (Jo	5.273	4.727	4.556	4.529
Installation, maintenance, and repair occupations	Thousands (Jo	7.505	6.950	7.929	8.196
Transportation and material moving occupations	Thousands (Jo	3.397	3.111	3.473	3.610
Management, business, and financial occupations	Thousands (Jo	1.873	1.724	1.647	1.746
Construction and extraction occupations	Thousands (Jo	1.416	1.971	0.633	0.596
Production occupations	Thousands (Jo	1.588	1.452	1.458	1.484
Building and grounds cleaning and maintenance,person	Thousands (Jo	0.998	0.813	0.938	1.005
Healthcare occupations	Thousands (Jo	0.648	0.538	0.716	0.863
Other	Thousands (Jo	2.144	1.780	2.867	2.908
Total	Thousands (Jo	24.841	23.067	24.216	24.937

Chart 2 traces employment linked to Connecticut automotive dealers to isolate jobs related to each of the two main business segments with two tracts for sales – with and without passage of Bill 127. With the passage case admittedly being the more pessimistic. It depicts a gentle decline to 2035 and then collapse of dealerships by 2040. To 2040 passage of the Bill would result in a loss of 40,239 annual jobs. Unlike Chart 1, the following charts have R&M job impacts as the base line so the space between it and total is attributable to sales related jobs.

Chart 2: Total Employment without and with Bill127 (# Jobs)



Income Impacts

Income, in real or constant dollars, allows CCEA to assess how the loss of automobile dealerships would retard the states' economy. This section observes three income measures with slightly different purposes: Gross Domestic Product (GDP), personal income (PI), and disposable personal income (DPI).

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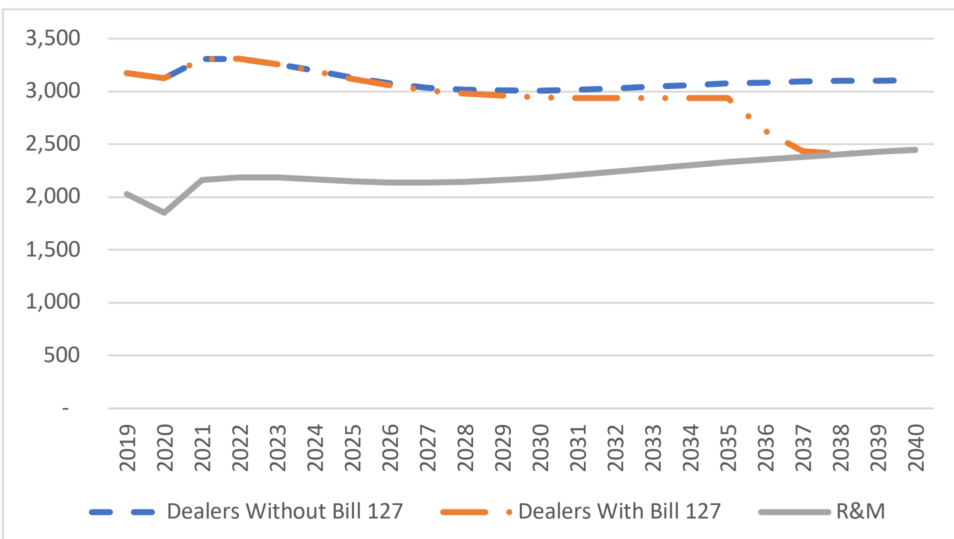
Real GDP is the constant dollar value underpinning economic growth before taking depreciation into account so that changes. Its measure of economic decline or growth excluding inflation. PI measures the income accruing to persons, usually in current dollars, therefore usually including inflation. Subtracting income taxes from PI yields DPI also in current dollars so that DPI measures the additional funds at any point in time which the residents have to deploy as they wish. In comparing annual data among alternative paths for the economy, DPI measures benefits of a development path over another in terms of consumer choice, in short, economic freedom!

GDP

Even a minor loss (0.2% annually) of dealerships retail margins to 2035 followed by their steady, but rapid decline to 2040 curtails real GDP, noted in Chart 3. Without Bill 127 auto dealers and related economic activities annually generate in excess of three billion in real GDP. Post Covid-19, real GDP impacts peak at $3,308 million before slumping to $3,011 in 2030 and then climbing driven by additional R&M activities, reaching $3,109 in 2040.

Given enactment of Bill 127, the continuous, but slight, annual decline in GDP after 2021 to 2035 when manufacturers s qualify as solely EV manufacturers positioning them t sell directly to Connecticut residents by displacing Connecticut dealerships without a significant presence in the State. The threat is that they will withdrawal at constant annual rates and could take over completely by 2040. Over the 20 years 2021-2040, cumulated real GDP impacts would shrink by $3.9 billion, a measure of the risks that this Bill poses to automotive dealers and dependant linked companies, and ultimately the State.

Chart 3: Real (2012) GDP Impacts 2019-2040 (Fixed Millions $)



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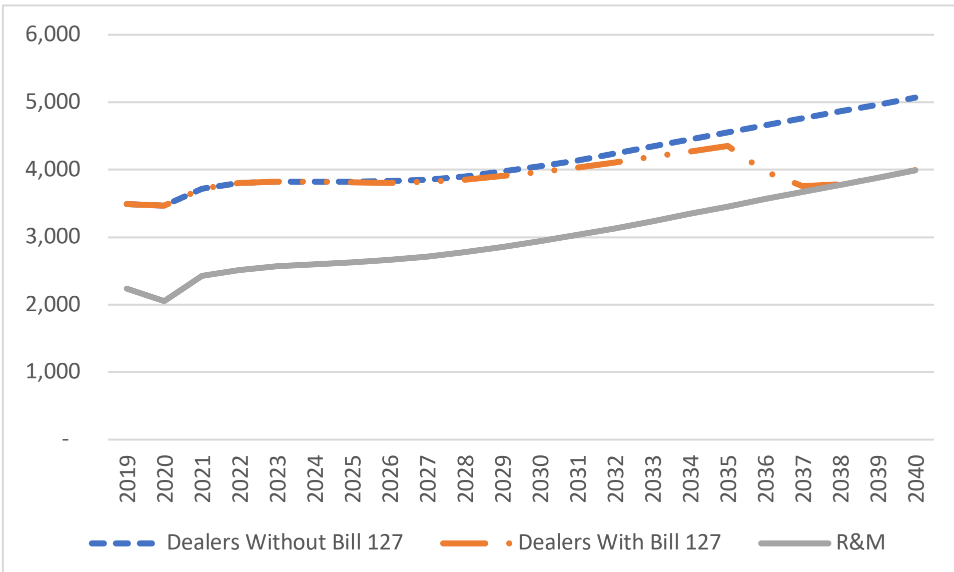
Current GDP

Shown in Chart 4, current dollar GDP follows the same general patterns but increase more over time due to ongoing inflation. After recovery from Covid-19, it reaches $3,721 million in 2021 before rising at increasing rates out to $5.1 billion in 2040 as long as Bill 127 does not become law. Should the Bill pass, then for the same reasons discussed above, impacts could be reduced as noted by the unevenly perforated red line. Doings would reduce automotive dealership impacts on Connecticut real dollar l GDP by $3.9 billion and current dollar GDP by $6.0 billion.

Chart 4: Current GDP Impacts 2019-2040 (Current Millions $)

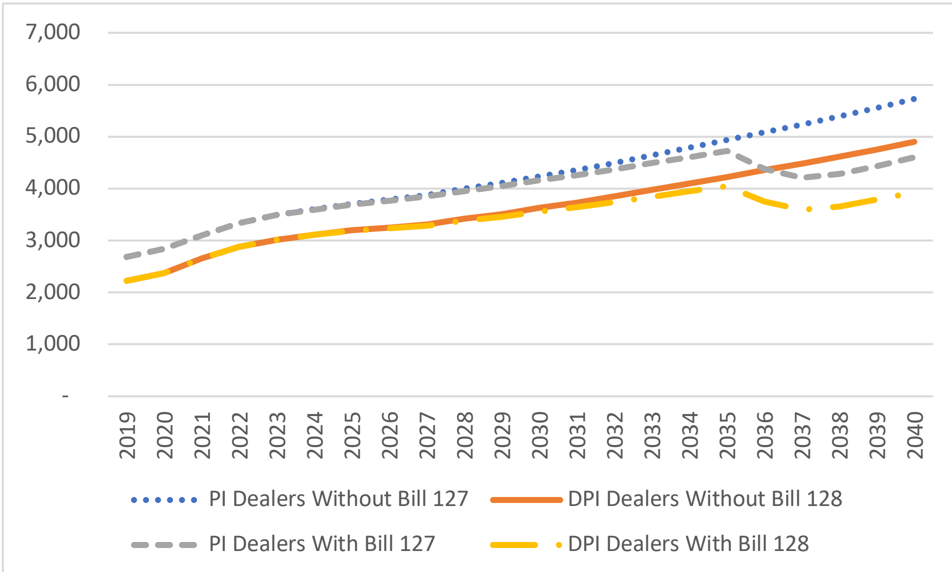


PI, DPI and Personal Income Taxes

Chart 5 contains information on all the above. The dotted line represents impacts on PI impacts of automotive dealers unrestrained by Bill 127. The solid orange line is DPI impacts under the same circumstances and the differences between the two, all personal income taxes collected by both Federal and State governments. Similarly, the perforated lines represent the same metrics should the Bill be passed with the dashed one being PI and the unevenly perforated one being DPI.

Without the Bill's passage, automotive dealers' activities generate PI rising from $2,684 in 2019 million to $5,727 in 2040. The corresponding data for DPI are $2,224 and $4,602 million. Over the period cumulated personal income taxes amount to $13,409 million without the Bill and $12,572 with the Bill. The difference between the two of $838 million being costs of Bill 127 to federal and state treasuries in foregone personal income taxes. Bill 127 could cost the State of Connecticut $197 million in personal income taxes foregone.

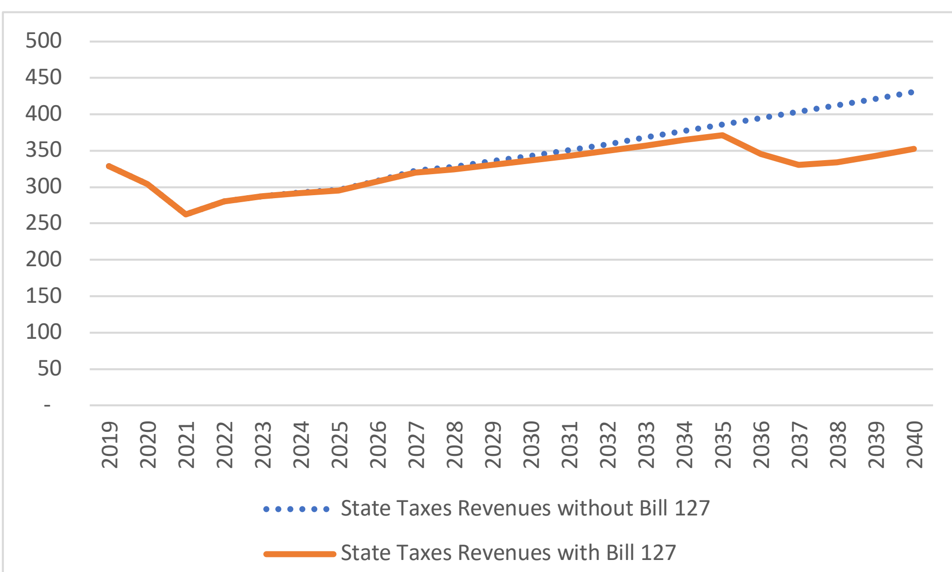
Chart 5 PI, DPI, and Personal Income Tax Impacts 2019-2040 (Millions $)



Fiscal Capacity

The loss of automotive dealerships would impact fiscal capacity by not only reducing personal income taxes but also sales taxes and other state and local government revenues. CCEA is then interested in the 23.5% share of personal income taxes accruing to the state as well as changes in sales tax revenues and other state revenues. Chart 6 contains the differences in state revenues with and without the passage of Bill 127

Chart 6: Connecticut State Revenue Impacts of Automotive Dealer Association with and without passage of Bill 127: 2019- 2040 (Millions $)



With the Bill 127's passage the State risks foregoing revenues of $431 million with a net present value (NPV), discounted at 5% annually, of $180 million.

Conclusions

Using REMI 2.4.1 adjusted for Covid-19-influenced survival rates, this impact study has assessed the role of the Automotive Dealers' two perspectives of current impacts being extended out to 2040: 1) status quo, and 2) where dealers are displaced by out-of-state commerce facilitated by Bill 127. The first of these results in established annual impacts that are likely to continue under the current industry structure. The latter represents what is likely to happen if new and used vehicle sales dealers were to be displaced by out-of-state selling while repair and maintenance activities continue unabated.

Bill 127 increases risks to both dealers and Connecticut as a whole. Through to 2040 those risks are expected to threaten:

- 40,239 jobs
- Real GDP valued at $3.9 billion;
- Current dollar GDP worth $6.0 billion;
- PI of $1,125 million
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While Bill 127 adds to risks of manufacturers stepping away from dealerships, history indicates that they are not apt to do so. In 1896, when manufacturers originally tried to sell directly, they quickly realized that they needed a franchise system that has evolved over good times and bad despite one manufacturer's failed brief attempt to void the system from the mid 1990s to 2003.

Increasing such risks to Connecticut's development is contrary to redressing Connecticut's dire growth performance. Recently the Pew Charitable Trust joined CCEA's recognition that Connecticut growth has been the worst among all states from 2007Q4 to 2019Q4, Connecticut and two other states grew at the slowest annual rate (0.9%), less than half the national rate[8]. Bill 127 further undermines reinvigoration of Connecticut's economy and ought not to be passed.

[8] Barb Rosewicz, Mike Maciag and Joe Fleming, State's Personal Income Growth Was Higher=st in 20 Years, The Pew Charitable Trust, April 27, 2021.

Appendix A: The Ravages of Covid-19

At the time of writing in early spring 2021, indications for Covid-19 are for infections to ebb reluctantly due to the invasion of mutations which are both more infectious and deadlier. With improved medical treatments and increasing shares of vulnerable seniors being partially to fully inoculated, both incidences, and subsequently deaths, among seniors are dropping. Yet, premature relaxation of preventative health measures, increasingly larger gatherings, and the playing contact sports expand and increase the frequency of spreader events. Regional differentials in rates of new cases appear to be related to the differences in the rates of testing as much as measuring the actual spread of the virus. Given a tendency for tests to give false positives, analysts are keeping a sharp eye on US death tolls that have been trending upward over the last 23 days, even with the reduced likelihood of younger, as opposed to elderly, patients succumbing[9].

John Hopkins reports that over the last two weeks (March 26 to April 6, 2021), daily new Connecticut cases dropped from 1,488 to 1,038 moving in an opposite direction to the nation. During that period, Connecticut testing has dropped from 741.1 to 734.1 per 100,000, while simultaneously, the percentage of positive tests has risen from 4.2% to 4.4%.[10] Because patients are younger and more likely to survive, and the vaccines are softening the severity among those unfortunate enough to become ill after receiving their shots, the increased rate of positives may not lead to higher death rates. Connecticut deaths of 7,935 already exceed the national per capita rates albeit daily deaths in the State have been waning. CCEA's population adjustments, were split between the two years based on expected Connecticut deaths of 8,500 over the two years 2020 and 2021.

[9] Track Testing Trends - Johns Hopkins Coronavirus Resource Center (jhu.edu) (April 8, 2921) Has national deaths at 559,849 persons approaching 240,000 for 2021 thus far.
[10] Track Testing Trends - Johns Hopkins Coronavirus Resource Center (jhu.edu) (April 8, 2921)