



Volume 116, No. 1

January 14, 2019

## CATA office at auto show Feb. 1-19

*No meetings during shutdown*

The office of the Chicago Automobile Trade Association will close in Oakbrook Terrace Jan. 31 and not reopen till Feb. 20.

Far from taking a two-week cruise, the CATA staff will be relocated to McCormick Place to produce the 2019 Chicago Auto Show.

Because the CATA office will be closed, dealership personnel must make the following adjustments:

- Personnel responsible for securing any forms provided free by the CATA — odometer statements, used-car buyer's guides, used-car limited warranty statements and emission control equipment statements — should place orders by Jan. 28 to ensure the orders can be processed by Jan. 31. Don't get caught with an empty supply shelf.

- Meeting rooms at the CATA will be inaccessible Jan. 31-Feb. 19.

Any calls to the CATA will be forwarded automatically to CATA staff at McCormick Place until the office reopens.

## Auto show gala expected to raise \$3 million for 18 area charities

Eighteen Chicago area charities will benefit from about \$3 million expected to be raised by a black-tie gala held on the eve of the 2019 Chicago Auto Show.

The coming First Look for Charity event, on Feb. 8, gives benefactors the chance to see about 1,000 new vehicles on display amid an elegance not present when more than 1 million people converge on McCormick Place during the auto show's 10-day consumer run, Feb. 9-18.

Benefactors also have the chance to win one of two 2019 vehicles: a Chevrolet Blazer or a Jeep Compass.



**A Chevrolet Blazer, above, and a Jeep Compass, below, will be awarded at the event.**



About 9,000 attendees at the charity gala will be treated to heavy hors d'oeuvres; champagne, spirits, wine, beer and soft drinks; and special en-

SEE **CHARITY**, PAGE 2

## Teamsters ratify 4-year contract with dealers 4 months after last deal lapsed

Members of Teamsters Local 731, which represents parts countermen, stockroom attendants, garage attendants, drivers, and utility employees, on Jan. 6 ratified a new four-year collective bargaining agreement with area dealers who employ the unionized workers.

The contract runs through July 31, 2022.

The dealers were represented in negotiations by the CATA's employee relations counsel, Franczek Radelet P.C.

Full details of the new contract were reviewed previously at a meeting held Dec. 18 at the CATA. Three key details about the new contract:

- First-year wage increases are retroactive to Monday, Aug. 6, 2018, with

retro increases to be paid in one lump sum, less applicable withholdings, in the second pay period following Jan. 6, 2019.

- First-year increase in the Dealer's weekly Health & Welfare contribution is not retroactive. Instead, the increase took effect Jan. 7, 2019.

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## Technology, tariffs, technicians: New NADA chairman talks challenges

After a year as vice chairman of the National Automobile Dealers Association, Texas dealer Charlie Gilchrist ascends to 2019 NADA chairman as part of the NADA Show convention later this month.

Gilchrist, 63, is president of the five-rooftop, 10-marque Gilchrist Automotive group. He identified his big agenda items for the coming year.

“We’re facing a terrible problem of affordability, in trying to keep vehicles affordable for our customers. And that permeates everything we do,” he said.

“Additionally, we’re facing a critical shortage of service technicians. We have



**Gilchrist**  
and beyond.

to find the best people for every position in our dealerships. That is a huge challenge, and we’ll be talking much more about that at NADA Show 2019

“You know, our dealerships are aging, our workforce is aging, and we have to recruit and train and retain the best people.”

Gilchrist said another challenge is figuring out the best way to embrace technology in the retail process.

“I think through technology we can speed up the sales process. I think that doing that will help us with transparency and trust with our customers. And then, we have to work on the sustainability of our new-vehicle departments.

“So, we have to work with each OEM to make sure that our new-vehicle departments can continue to thrive in the long term.”

## Charity

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entertainment presented by the automakers in their displays.

First Look for Charity has become one of the special events on the winter schedules of Chicago socialites and car buffs, said Ray Scarpelli Jr., chairman of the 2019 Chicago Auto Show.

“The Chicago Auto Show is uniformly regarded as the finest auto show in the country, but the charitable cause demonstrates that this auto show is about more than just vehicles and accessories,” he said. “It’s also about giving something to the charities of our community.”

The 18 organizations participating in this year’s First

Look for Charity predominantly are children-oriented. Some operate on a global level; others, locally. The charities use the proceeds they raise from the event in their efforts in the Chicago area, Scarpelli said.

Charities involved in the 28th annual First Look for Charity are the 100 Club of Chicago, Advocate Health Care, Boys & Girls Clubs of Chicago, Catholic Charities of the Archdiocese of Chicago, and Catholic Charities of the Diocese of Joliet.

Also, Clearbrook, The Cradle, Franciscan Community Benefit Services, JDRC, Susan G. Komen-Chicago, the Ann & Robert H. Lurie Children’s Hospital of Chicago, and Lydia Home &

Safe Families for Children.

And, March of Dimes, Misericordia, New Star, Special Olympics Illinois, Turning Pointe Autism Foundation, and the Jesse White Tumbling Team.

Tickets to the event are \$275 each and can be ordered at [chicagoautoshow.com](http://chicagoautoshow.com) or by calling (630) 495-2282.

Benefactors should indicate which charity or charities they want their donation to benefit. Of each ticket, \$226 is tax-deductible as a charitable contribution.

Chevrolet is raising the bar on crossover design with the introduction of the 2019 Blazer as the newest member of the industry’s broadest, freshest crossover and SUV lineup since 2015.

The 2019 Jeep Compass includes legendary and best-in-class 4x4 off-road capability, advanced fuel-efficient powertrains, premium and authentic

Jeep design, superior on-road driving dynamics, open-air freedom, and a host of innovative safety and advanced technology offerings.



## Tariffs

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• There is no first-year increase in the weekly Dealer pension contributions.

Dealers with questions should contact Franczek Radelet’s Terry Creamer at (312) 786-6157 or [tc@franczek.com](mailto:tc@franczek.com); Chris Johlie at (312) 786-6152 or [caj@franczek.com](mailto:caj@franczek.com); or Dave Radelet at (312) 786-6190 or [dpr@franczek.com](mailto:dpr@franczek.com).

The union will produce and disseminate copies of the agreement to 731 dealers in the near future.

The CATA Bulletin is published by the  
Chicago Automobile Trade Association  
18W200 Butterfield Rd. Oakbrook Terrace, IL 60181-4810

The CATA Bulletin is distributed via blast e-mail every other Friday except during the Chicago Auto Show, when it is not produced.

Listings of items for sale are subject to the approval of the CATA. Candidates for employment must submit a full resume to the Editor.

Review past editions dating to 1998 or search by subject at [www.cata.info](http://www.cata.info).

David E. Sloan  
Erik K. Higgins

President, Publisher  
Editor, Director of Dealer Affairs

## Hopeful schools await auto show 'adoption'

Dealerships can plant a benevolent seed with students by sponsoring a school group's visit to the 2019 Chicago Auto Show. The measure can be a community relations plum and establish customer loyalty with young consumers.

Under the Adopt-A-School Program, a dealer can purchase tickets at \$6 each for students in a group. There is no minimum or maximum potential group size. Accompanying chaperones are admitted at no charge.

Prepaid food vouchers are available (but must be ordered by Jan. 30). The lunch coupon/vouchers are \$7 each.

High schoolers at or near driving age are logical students for a dealership to pair itself with. There are hundreds and hundreds of high schools in the Chicago area, probably more than one within each dealer's relevant market area.

Dealers interested in "adopting" a school should contact the CATA's Donna Young for more details, at (630) 424-6045.

## Materials shipped for 2019, auto show

Materials shipped Jan. 11 to all members of the Chicago Automobile Trade Association in good standing, to help them get through the coming year and to help publicize the Chicago Auto Show, Feb. 9-18 at McCormick Place. It's your show; please promote it.

Packages sent via United Parcel Service to dealer principals and company presidents include the following:

- 1 CATA-member 2019 window decal; and
- 1 form to photocopy to order free supplies of odometer statements, used-car buyer's guides, used-car limited warranty statements, and emission control equipment statements.

Also, to promote the 2019 Chicago Auto Show, the shipment includes:

- 4 Chicago Auto Show easel cards;
- 2 Chicago Auto Show posters;
- 1 First Look for Charity poster;
- 2 Honored Guest tickets good for repeated admission throughout the auto show;
- 50 Employee Appreciation Day admission tickets, valid once Feb. 11-15 and Feb. 18; and
- 200 vouchers to offer customers and others for discounted admission to the show.

Don't forget to purchase additional admission tickets to the auto show as well as any First Look for Charity tickets.

Any member who does not receive the UPS shipment by Jan. 16 should notify the CATA. The shipments are traceable, to help resolve problems.

## Despite lender caution, subprime originations expected to grow in 2019

Anticipated growth in originations to subprime borrowers is a sign that the auto industry is normalizing and will stay healthy in 2019, said Brian Landau, a senior vice president at TransUnion.

Following a lender pullback from the subprime space in 2016 and 2017, subprime as a percent of overall origination volume is expected to rise to 16.5 percent in 2019, compared with 15.1 percent in 2017, according to TransUnion's 2019 consumer credit forecast.

"The auto market is starting to recalibrate itself after the pullbacks," Landau said.

Positive economic trends and opportunities to boost profits are spurring the growth in subprime, Landau said. Specifically, lenders feel more confident going back to subprime because of macroeconomic performance like stabilizing delinquencies and a low unemployment rate, he said. The 60-

day delinquency rate is anticipated to stay flat at 1.44 percent through 2019.

Also, lenders are looking for new profit pools because of weighing consumer demand and increased competition. "If [a lender] is going to tap into subprime consumers, so are other lenders," Landau said. "The profit is in subprime, and lenders have to make money."

However, the percentage of subprime loan originations remains below what was observed at the onset of the last recession, TransUnion notes. In 2007, 20 percent of auto loan originations were subprime.

Despite industry apprehension that a downturn is looming, TransUnion reports that an increase in subprime borrowers should not serve as a sign of concern.

"Balancing risk and returns is an instrumental part of consumer lending, and small increases to delinquency rates

are often part of the planning process — a normal derivative of granting wider access to credit," said Matt Komos, vice president of research and consulting for TransUnion.

"Even though it has now been a decade since the last recession, lenders continue to be cautious," Komos added. "In our estimation, the rise in nonprime borrowing we have observed and expect to see next year is a net-net positive."

One area of concern for 2019 surrounds vehicle affordability.

"Many factors may impact auto affordability in the coming year, which could result in a slowdown in origination growth," TransUnion noted in its consumer credit forecast. "The potential of rising tariffs could materially impact vehicle prices and consumer affordability. Furthermore, many consumers are purchasing and financing more expensive vehicles, such as SUVs and hybrids."

## Franchised New-Car Dealers in the 8-county CATA area as of 1 January 2019

Car Line	Chicago only Ill.	Rest of Cook Cty. Ill.	Lake Cnty. Ill.	DuPage Cnty. Ill.	McHenry Cnty. Ill.	Kane Cnty. Ill.	Will Cnty. Ill.	Lake Cnty. Ind.	Porter Cnty. Ind.	Total [prior] 7/1/2018	Total [present] 1/1/2019
Acura	1	4	2	3	0	0	0	1	0	11	11
Alfa Romeo	0	3	1	1	0	0	0	1	0	6	6
Aston Martin	0	1	0	1	0	0	0	0	0	2	2
Audi	1	3	1	2	0	0	0	1	0	8	8
Bentley	1	1	0	1	0	0	0	0	0	3	3
BMW	1	4	1	3	1	0	0	1	0	11	11
Bugatti	1	0	0	0	0	0	0	0	0	1	1
Buick	2	9	1	4	4	1	3	2	2	29	28
Cadillac	1	8	2	2	1	0	1	1	0	16	16
Chevrolet	4	15	5	6	4	4	6	4	2	50	50
Chrysler	3	11	5	4	3	3	2	3	2	36	36
Dodge	4	11	5	4	3	3	2	3	2	37	37
Ferrari	0	0	1	1	0	0	0	0	0	2	2
Fiat	0	3	0	1	0	0	0	1	0	6	5
Ford	3	13	6	7	3	4	5	4	2	47	47
Genesis	1	6	2	3	1	1	0	0	0	24	14
GMC	1	9	1	4	3	1	2	1	2	25	24
Honda	4	9	3	2	1	3	1	2	0	25	25
Hyundai	2	10	4	3	1	1	1	2	0	24	24
Infiniti	1	4	1	2	0	0	0	1	0	9	9
Jaguar	1	3	1	2	0	0	0	1	0	8	8
Jeep	3	11	5	4	3	3	2	3	2	36	36
Kia	1	8	3	3	1	1	1	2	1	21	21
Lamborghini	1	0	0	1	0	0	0	0	0	2	2
Land Rover	1	3	1	2	0	0	0	0	0	7	7
Lexus	1	4	1	2	0	0	0	1	0	9	9
Lincoln	1	6	3	2	1	0	0	1	0	14	14
Lotus	0	1	0	0	0	0	0	0	0	2	1
Maserati	1	3	0	1	0	0	0	0	0	6	5
Mazda	1	7	1	3	1	0	1	1	1	16	16
McLaren	1	0	0	0	0	0	0	0	0	1	1
Mercedes-Benz	1	5	1	2	0	1	0	1	0	11	11
Mini	1	3	0	1	0	0	0	0	0	5	5
Mitsubishi	0	5	1	2	1	0	0	1	1	10	11
Nissan	2	12	2	4	1	1	1	1	1	26	25
Porsche	0	3	1	1	0	0	0	0	0	5	5
Ram	4	11	5	4	3	3	2	3	2	37	37
Rolls-Royce	1	1	0	0	0	0	0	0	0	2	2
smart	0	1	0	0	0	0	0	0	0	1	1
Sprinter	1	3	1	1	0	1	0	0	0	7	7
Subaru	1	5	2	2	1	2	1	1	1	16	16
Toyota	4	11	3	4	1	1	1	2	1	28	28
Volkswagen	2	7	3	4	1	1	1	2	0	21	21
Volvo	1	4	1	1	0	0	0	1	0	8	8
# of Car lines	61	241	76	100	39	35	33	50	21	670	656
# of Outlets	34	162	49	63	20	23	19	35	16	421	421

NOTE: The difference between car line and outlet figures is the result of outlets that handle more than one car line. The reduction of dealerships in the past six months largely comes from the reduction of Genesis franchises.