



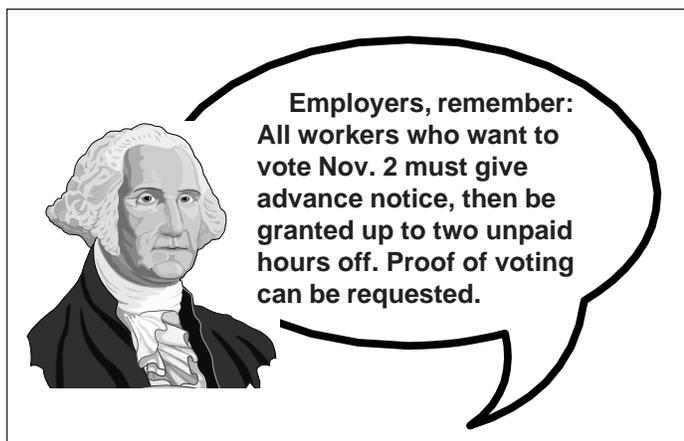
# CATA Bulletin

DRIVE **CHICAGO** .COM  
official Web site of CATA dealers

a biweekly newsletter

Volume 101, No. 21

October 25, 2004



## Congress cuts SUV tax deduction

Tax legislation before President Bush would reduce the cost of any SUV eligible for small business expensing from \$100,000 to \$25,000. Bush indicated he would sign the measure.

The threshold rose from \$25,000 to \$100,000 last year. Pickup trucks still would qualify for the \$100,000 deduction, as would any SUV exceeding 14,000 gross pounds. Any change would take effect upon Bush signing the bill, meaning SUVs delivered afterwards would merit the lesser deduction.

SEE SUV, PAGE 2

## Chicago TV, radio, print entities advise dealers on reaching Hispanics

When Raul Chavarria shops for a car, "I'm bringing my brother and my wife and my two children. What are the kids going to do there? I don't know, but I'm bringing them. And I'm third generation Mexican, but that's how we do things."

Gladys Arroyo echoed Chavarria's sentiments. "Hispanics travel as families. We go in groups.

"We made our last deal sitting on one-inch chairs in the dealership's play area."

Chavarria, who works as local sales manager at La Ley radio, 107.9 FM; and Arroyo, classified and local sales director of Hoy newspaper, joined Telemundo Chicago at an Oct. 20 presentation at the CATA that examined Chicago's Hispanic consumers and what draws them to one dealer over another.

Hispanics in the Chicago market spent nearly \$1 billion on new cars and

trucks last year. The Hispanic population growth outpaces all other minorities, and with it, the sector's thirst for vehicles grows. Dealers must recognize and appeal to subtleties to reach Hispanics, said representatives of Hispanic-targeted television, radio and newspaper entities.

The area's Hispanic head count stands at more than 1.8 million, which is greater than the entire population of Philadelphia, the country's fifth largest city. The average Hispanic household size is 3.9 people, compared to 2.8 people overall; and the median age of Chicago area Hispanics is 24.7, versus 33.9 overall.

"We're procreating early, and we're procreating often," quipped Emilio Abdala of Armas Marketing, another of the seminar's speakers. In all, 69 percent of the Chicago Hispanic market is under age 35.

Telemundo Chicago's Kim Benz

cited statistics that indicate new-vehicle sales to non-Hispanics have been flat over the last eight years, but sales to Hispanics since 1996 have increased more than 40 percent. Other data show Chicago Hispanics are willing to travel up to 26 miles one way to shop for a new or used vehicle.

The prevailing determinants: Hispanics prefer patronizing a dealership with their families, and they prefer to speak Spanish with sales representatives.

Dealers can enhance their appeal to Hispanics by erecting "Bienvenido" signs to welcome Hispanics, and bilingual signs that point to all areas, like sales, service and restrooms. Also, prominently display vehicles that are popular with Hispanics.

And have extra chairs available to accommodate families, the panelists stressed.

SEE HISPANICS, PAGE 4

## Unionizing technicians represent a wake-up call to nation's dealers

Overlooking the satisfaction levels of dealership technicians may come at a price.

Take Jerry's Weatherford Chevrolet, based in Weatherford, Texas, where techs voted to unionize. Their sealed ballots await a count in Washington, D.C. If the votes favor a union, the store would become the Lone Star state's first union shop. Union officials said similar efforts are underway at other stores.

"These technicians were neglected," said Don Allen, a manager at Jerry's, noting top managers focused more attention on guiding facility construction and growth. "It caught up with us."

The store's immediate concern is ensuring techs at other stores within the dealer group are satisfied with their work situation.

The unionizing effort at the Texas store is one of many cropping up across the country. Other hotspots include California, Michigan and scattered states in the Northeast.

Organizers say techs are concerned about loss of income due to factory cuts in labor time standards for warranty work (an issue most profound at Ford stores), rising healthcare costs and the lack of a voice in decision about workplace issues.

The latter point may seem trivial, but it could make the difference. Techs content with their situations are less likely to show interest in any union entreaties. Among practices to keep techs satisfied:

- Monthly meetings. They should be constructive sessions where techs can express concerns and know managers will consider them. "They've got to know they have a voice. If we need to change something, we do it," said one St. Louis dealer.

- Benchmark the dealership pay plan. In today's world of higher medical costs, healthcare benefits can mean more than hourly pay increases for techs. Full hospitalization and coverage for spouses are items of increasing importance to techs.

- Watch out for seniority-based pay. Service directors suggest basing hourly wages on efficiency, productivity, customer satisfaction and education levels as a more equitable way to determine base rates and pay increases rather than relying strictly on seniority. Such pay plans can cause frustration among younger techs.

The law firm Franczek Sullivan P.C. represents CATA dealers in labor and employment matters. To discuss any unionizing attempts, member dealers should call the firm at 312-986-0300.

## SUV

CONTINUED FROM PAGE 1

"Dealers have used the (\$100,000) tax break as a marketing tool in their advertising to generate sales," said AIADA spokesman Ed Patru, and analysts predict a spike in SUV sales before Bush acts. But that prediction is not unanimous.

Jeff Schuster, a forecaster for J.D. Power and Associates, said, "We don't expect this (tax) change to have a noticeable effect on the overall SUV market."

The bill also would limit the write-off amount on cars donated to charity. Benefactors now may cite Kelley Blue Book values to as a guide to the value of their donated vehicles. Under the proposed law, a vehicle's deduction value would be the amount at which the charity sells it.

Also of interest to dealers, technology-neutral tax credits for consumers who buy alternative fuel vehicles is not in the pending law.

Sen. Don Nickles (R-Okla.), who led the charge to close the so-called "SUV Loophole," charged "enormous abuse" of the \$100,000 provision because so many SUVs qualified for the deduction. Automotive industry spokesmen countered that the tax incentive was a boon to the small business sector.

Nevertheless, the AIADA said Nickles will be "dearly missed" when he retires in January after 20 years in the Senate. Nickles has been an unwavering supporter of estate tax repeal and a strong proponent of legal reform.

Tune in to the nation's only radio show owned by a dealer association: the CATA's "Drive Chicago," 8-9 a.m. Saturdays on WLS-AM 890. With host Paul Brian.

The CATA Bulletin is published by the  
**Chicago Automobile Trade Association**

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Oakbrook Terrace, IL 60181-4810  
630-495-CATA [2282] phone 630-495-2260 fax

The CATA Bulletin is published and mailed every other Friday except during the Chicago Auto Show, when it is not published.

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

Review past editions or search by topic at [www.cata.info/](http://www.cata.info/)

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## Selling to customers with disabilities

Five years ago, “Mary” ran marathons and zipped around in a sports car. Now, the effects of a neurological disorder leave Mary challenged to walk. She does not yet use a wheelchair, but Mary has harsh words for the automotive industry when it comes to helping disabled customers.

“They know nothing,” she scowled. “The dealership salesman led me all over the lot, never slowing down, showing me cars that weren’t practical. I have trouble with my arms and legs sometimes, so I need something at the right level.

“I can’t climb into an SUV and I gave up my sports car on the day I couldn’t climb out of it.”

By practical, Mary means cars that aren’t low to the ground, offer easy access to the front and back seats, and have a roomy trunk to store her rolling walker. “He knew where to send me if I needed modifications,” she concedes, “but I never asked for that.”

Modifications can make most cars accessible to people with disabilities, and they can be as simple as a slide board for easy transfer from a wheelchair, or as complex as hand controls installed on a steering wheel or a custom wheelchair lift that can cost almost as much as the vehicle itself.

For those who need them, modifications are an important link to independence.

“What I really needed was to be treated like any other customer, but with a little understanding,” said Mary.

So what can dealers do to improve the experience for their customers with disabilities?

- Be kind. Have a number of chairs in the showroom, including chairs with arms and without. One customer might need the arms to raise himself if his back or legs are impaired; another might be uncomfortable in confining furniture. Low chairs often are inaccessible.



- Make the parking lot accessible. Clearly marked handicap-accessible parking spaces with ample room for on-board lifts and ramps should be available and reserved for customers with special tags only. Be

certain that curb-cuts are passable and are kept clear of ice and snow. Community agencies that serve the disabled can visit and advise about accessibility to the lot and showroom.

- Greet customers in wheelchairs just like other potential buyers—with enthusiasm and respect. If asked, help them from a seated position. Being on the same level physically improves the negotiation process.

- Pity is inappropriate and unwelcome, as are questions about the buyer’s disability. If information is volunteered, do not respond with “I’m sorry.” At that point, it is permissible to ask if the customer has any special needs for the new vehicle.

- Don’t use derogatory terms like handicapped, crippled, or confined to a wheelchair. Remember: the person is more important than the disability. Anyone attracted to a hot red SUV should be treated like an active prospect. Show off the engine, kick the tires, and sell the vehicle’s

features.

- Recognize that not all disabilities are obvious. It’s easy to tell when a customer is in a wheelchair or is accompanied by an assistance dog. But other disabilities often are hidden. A customer with heart disease may look fine but may need extra assistance. Bottom line: don’t assume.

“I’m a red-blooded American who loves to drive fast, just like you do,” said “James,” who was paralyzed below the waist in a college accident. “With the top down and my wheelchair folded in the trunk, I am ‘normal’ behind the wheel.

“My car represents transportation and independence.”

Like many customers with disabilities, James took advantage of a manufacturer’s special program that covered a portion of the cost of installing adaptive equipment in his vehicle. In the United States, Ford Mobility Motoring offers to physically disabled customers who are purchasing a new car up to \$1,000 for modifications, and up to \$200 for altering devices for the hearing impaired, lumbar seats, or running boards.

Chrysler’s Automobility and GM Mobility programs also offer up to \$1,000 for modifications. And Toyota’s Mobility Program offers assistance, including extended financing to customers with vehicles from 2001 to the current model year.

“These programs,” said Mary, “are a sign that the industry is taking our needs seriously. With a little more understanding at the showroom level, even the most disabled buyer will have a better experience and, ultimately, return to buy his next new car.”

## NBC5, Telemundo get Emmy nods for auto show telecasts

NBC5 Chicago and Telemundo Chicago both were nominated Oct. 5 for a Chicago Emmy Award for their 60-minute broadcasts of the 2004 Chicago Auto Show. Emmy winners will be announced Dec. 4.

The stations' specials were produced under a unique, joint local effort that resulted in broadcasts for the English-speaking and Spanish-speaking markets. Both nominations came in the category, "Outstanding Program Achievement for a Special Event Program Not Created for Television."

Casey Wickstrom, chairman of the 2005 Chicago Auto Show, said the nominations confirm the commitment of the city's media to promote the nation's premier auto show.

"We do our part to present an auto show worthy of the coverage, and my hat is off to the stations for their work to broadcast the event in a manner worthy of an Emmy," Wickstrom said.

In all, the Chicago/Midwest Chapter of the National Academy of Television Arts & Sciences considers Emmys for 45 categories of achievement.

## Congratulations!

Kia Motors America named 218 dealers nationwide to the automaker's Circle of Excellence. Area dealers include **Evergreen Kia** (Chicago), **Fox Lake Kia**, **Gateway Kia** (Des Plaines), **Kia of Naperville**, **Kia of Waukegan**, **Napleton's Kia of Elmhurst**, **Schaumburg Kia**, **Southlake Kia** (Merrillville, Ind.), and **Thomas Kia of Highland** (Ind.).

## Martin Boyer deflects unemployment claims

One hundred sixteen CATA dealer members reported a combined 458 unemployment claims to the Martin Boyer Co. during the third quarter of 2004. The company's efforts saved those dealers a total of \$1.07 million in benefits by contesting the claims.

Martin Boyer monitors any unemployment claims against its clients. About 200 CATA dealers are clients of the company.

Subsequent to the sale of Martin Boyer's parent company, the firm now operates as Cambridge Integrated Services Group, Inc.

Claims that can be protested and subsequently denied help minimize an employer's unemployment tax rate. The rate can vary between .06 percent and 6.8 percent of each employee's first \$9,000 of earnings. The average unem-

ployment tax rate among Illinois employers is 3.1 percent, or \$279 annually.

"The unemployment tax is really the only controllable tax, in that it's experience-driven," said Paul Schardt, senior vice president of Cambridge. An ex-employee's claim affects the employer's tax rate for three years.

Client fees amount to \$2.10 per employee, per fiscal quarter. For the fee, Cambridge monitors all unemployment claims, files any appeals, represents the client at any hearings, verifies the benefit charge statements and confirms the client's unemployment tax rate.

The former Martin Boyer Co. has represented CATA members since 1979. To discuss retaining the company, call Schardt at 312-381-8241.

### Illinois maximum weekly unemployment benefit amounts

Single claimant:	\$326*
with dependent spouse:	\$387*
with dependent child:	\$442
Maximum benefit weeks:	26

*\*a decrease of about 2% compared to 2003 amounts*

### Benefit calculator

The average weekly wage determined for the year 2004 is \$677.64. A claimant with covered earnings of \$17,618.64 or more in the two high quarters of his base period is eligible for maximum unemployment insurance benefits. At that earning level, benefits would represent 48%-65% of lost pay.

## Hispanic

CONTINUED FROM PAGE 1

Bilingual advertising also helps, said the Hispanic media representatives. That can range from translating the dealer's Web pages to soliciting on Hispanic media.

Abdala said Hispanics gravitate to Spanish media because it is familiar. "When you're at home," he said, "you want to get in a mode where you're

comfortable. You want people speaking the way you want to be spoken to. Hispanics speak Spanish in their homes, so you should speak to them in their language."

At the request of the CATA board of directors, the three entities developed advertising packages for CATA dealers to appear in print in Hoy; on radio on WLEY-FM; and on television on Telemundo Chicago. The packages cost \$7,500 and \$15,000 for one-week schedules.