

Foreign Nameplate Vehicle Repairs Cost an Average 37% More at New Car Dealerships Than Independent Repair Shops

AAIA Vehicle Repair Cost Study

BETHESDA, MD – March 11, 2009 – Vehicle repairs cost an average 34 percent more at new car dealerships than at independent repair shops, resulting in \$11.7 billion in excess costs annually to consumers, according to a first-of-its-kind study just released by the Automotive Aftermarket Industry Association (AAIA).

The study reveals dramatic differences in the costs of parts and labor between domestic and import vehicle nameplates and from city to city. Consumers in Los Angeles pay as much as 46.8 percent more at dealerships than independent repair shops for repairs. The cost to consumers of specific repairs also varies widely. For example, the average cost for radiator repair for a foreign nameplate vehicle, including parts and labor, is \$325.99 higher at a dealer than at an independent shop; and the cost to purchase and install front brake pads on a foreign nameplate vehicle is \$138.92 more at a dealer than at an independent shop.

AAIA's Vehicle Repair Cost Analysis: Comparing New Car Dealerships vs. Independents looks at the parts and labor costs of 10 vehicle repair jobs for domestic and foreign nameplate vehicles in six cities across the country, including Boston, Newark, Atlanta, St. Louis, Los Angeles and Seattle.

"In response to repeated requests by congressional leaders studying the merits of the Motor Vehicle Owners' Right to Repair legislation, AAIA commissioned a study to once and for all provide a comprehensive analysis that validated the contention that it costs consumers more to repair their vehicle at new car dealerships than at independent repair shops," said Kathleen Schmatz, AAIA president and CEO.

Highlights of the study include:

- Vehicle repairs for parts and labor averaged 34.3 percent more at new car dealers than at independent repair shops
- Foreign nameplate repairs performed at dealers averaged **36.8 percent** more than at independent repair shops, while repairs performed on domestic nameplates averaged 31.5 percent more at dealerships than at independent repair shops
- Total 2008 cost difference for consumers having repair work performed at car dealers rather than independent repair shops for the 10 jobs equaled 11.7 billion.