



Includes businesses in support of the wholesale and retail supply of the automotive and powered vehicle industry, whether in new vehicle sales, aftermarket, or repair. Includes dealerships, parts retailers, aftermarket parts wholesalers and distributors, and powersports dealerships.

### INTERNAL USE ONLY

## CAPTRUST EXPERIENCE

### CAPTRUST AT A GLANCE

Clients – 110  
Total Assets – \$3.9 billion  
Plans/Pools – 109  
Plan/Pool Types – DC (106), NQ (3)  
Top Providers – Milliman

### EXPERIENCED ADVISORS

- Yvonne Zeoli (30)
- Eric Benedict (15)
- Kim Huppertz (8)
- John Weber (7)
- Susan Shoemaker (6)
- John Young (6)

## INDUSTRY BACKGROUND

### POINTS OF INTEREST

- Following the onset of the pandemic, a rising unemployment rate, work-from-home policies and reduced travel resulted in a substantial decline in total car usage.
- Labor shortages with qualified technicians were prevalent prior to the pandemic, contributable to low pay and a generational shift away from trades. However, persistent labor shortages post pandemic has led wages to rise an annualized 2.3% over the past five years, limiting profit growth.
- Volatile gasoline prices and automaker mergers are expected to lead to a surge of vehicle introductions over the next five years.
- Tighter credit markets will likely begin affecting automobile purchases after interest rate hikes in 2022.

### COMMON TERMS

- Automotive technician, auto tech, or technician
- Autonomous
- Dealership
- Electric
- Hybrid
- Model
- Safety

### EXTERNAL RESOURCES

- American Automobile Association (AAA) [aaa.com](http://aaa.com)
- Auto Care Association [autocare.org](http://autocare.org)
- Automotive Service Association [asashop.org](http://asashop.org)
- National Institute for Automotive Service Excellence (ASE) [ase.com](http://ase.com)
- National Automobile Dealers Association (NADA) [nada.org](http://nada.org)

## FOR THE CHALLENGER

### CHALLENGES

#### Corporate

- Removing administrative burden
- Tight labor market, especially as technicians are in high demand
- Supply chain disruptions, causing lack of or delay in an inventory of vehicles and parts
- Addressing a complex pay structure: hourly, salary, 100% commissions but may be coupled with a draw. Often, there are 4-5 ways a salesperson might be able to get paid
- Difficulty in addressing employees; a group may have several locations, little down time due to constant interaction with their customers

#### Retirement

- Making sure the employees understand the value and importance of the retirement plan and getting the non-high comps to maximize contributions for the HCs to max deferrals
- Trying to get the owners to commit to a matching contribution and one that is significant
- Meeting diverse participant needs
- Insulating against fiduciary risk
- Match is typically low creating lower deferral percentages
- Addressing disparity between the various types of employees (i.e., salespeople, technicians, administrative staff) and their financial knowledge and needs

### CLIENT OUTCOMES

- Improved enrollment and deferral rates - mainly through plan design (i.e., automatic enrollment)
- Added 3(16) fiduciary administrative services to help HR immensely
- Successful in holding education meetings on-site – mornings are best and having bagels or donuts helps
- Increased employee communication about the plan – increased total participation from 60% to over 85%