

D.A.B.E.

Bob Fish Memorial Auto Outlook

Federal Reserve Bank of Chicago
January 22, 2015

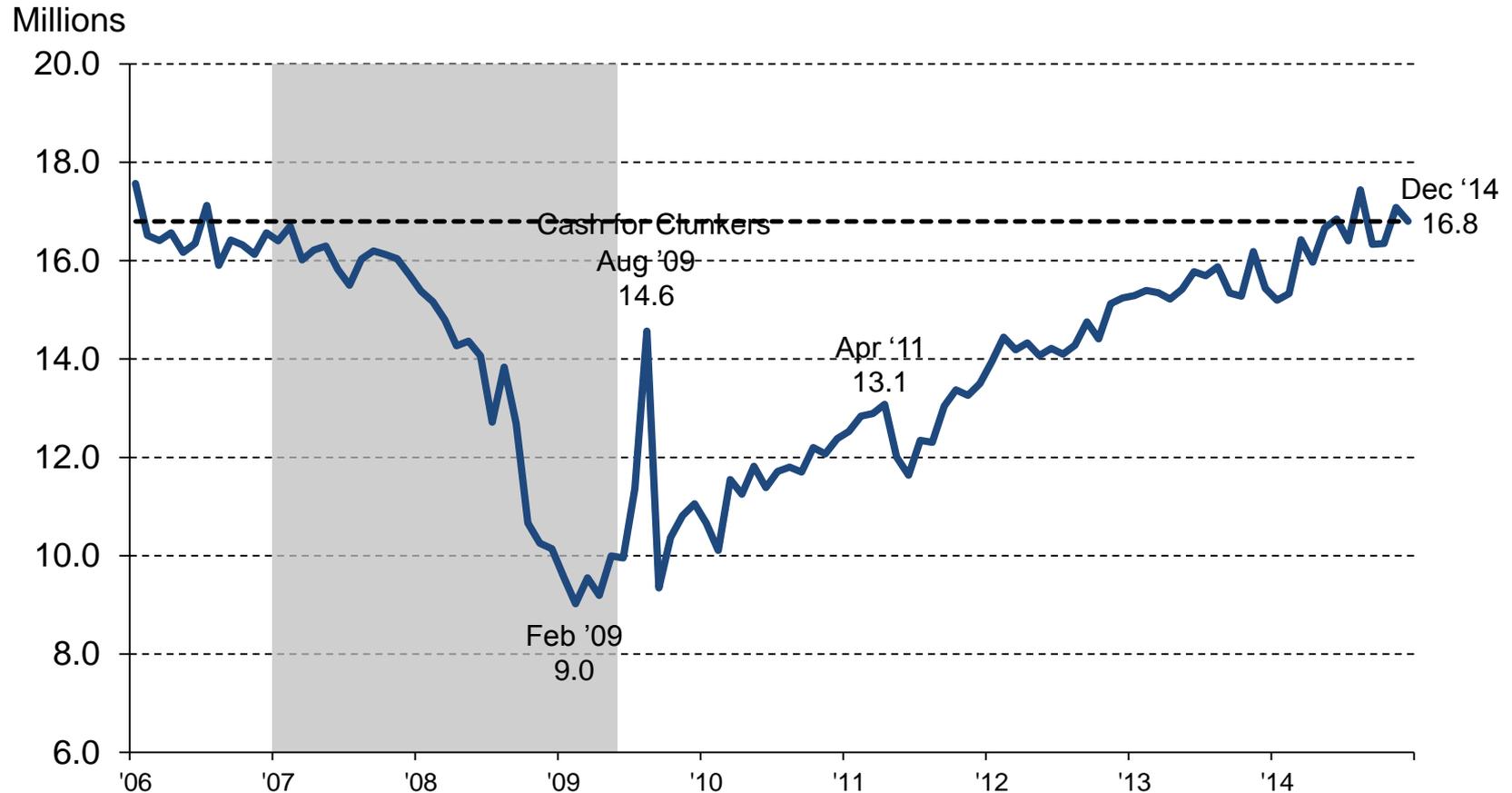
Paul Traub
Senior Business Economist



Auto Industry

U.S. Light Vehicle Sales

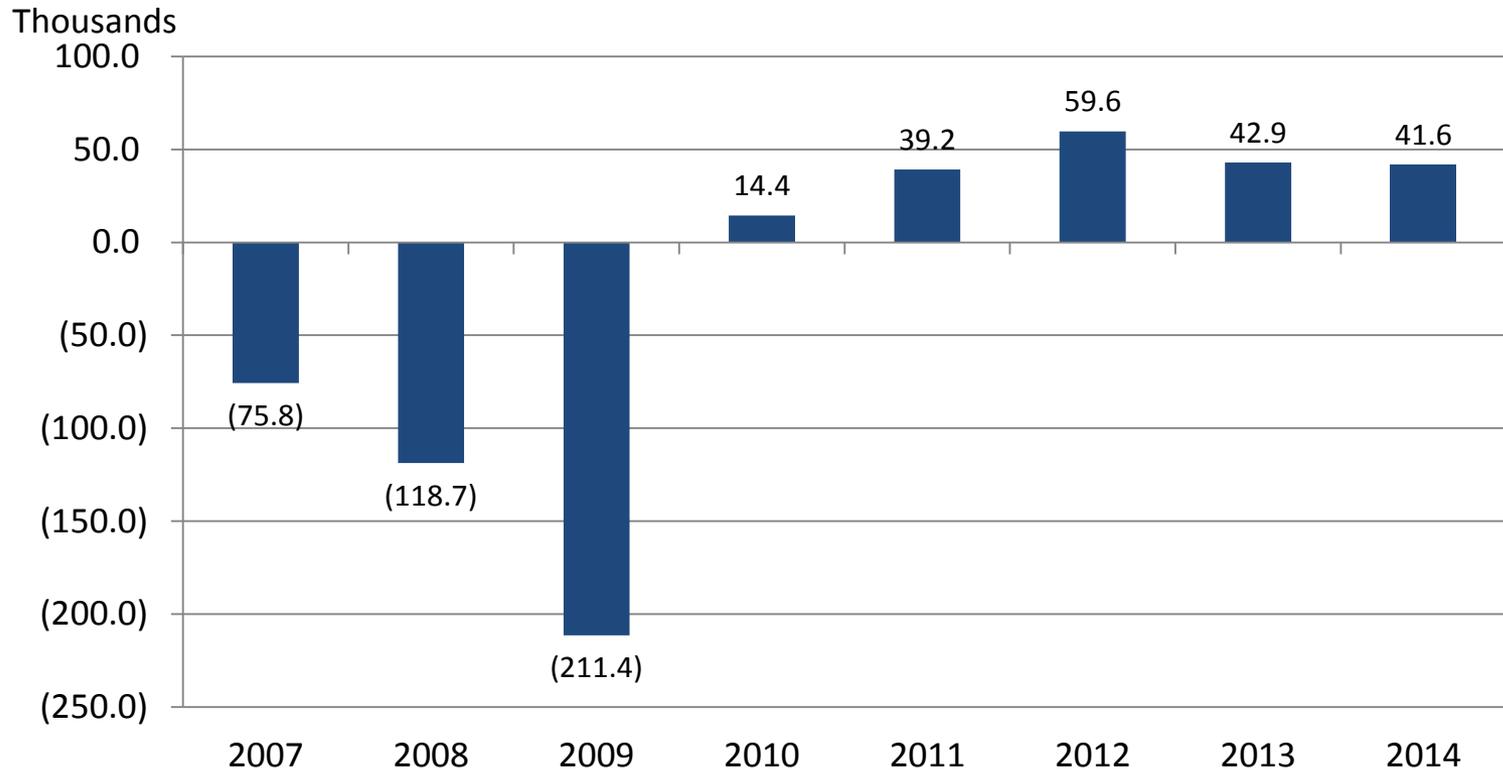
S.A.A.R – Millions of Units



Source: Ward's Automotive and BEA

Annual Job Growth

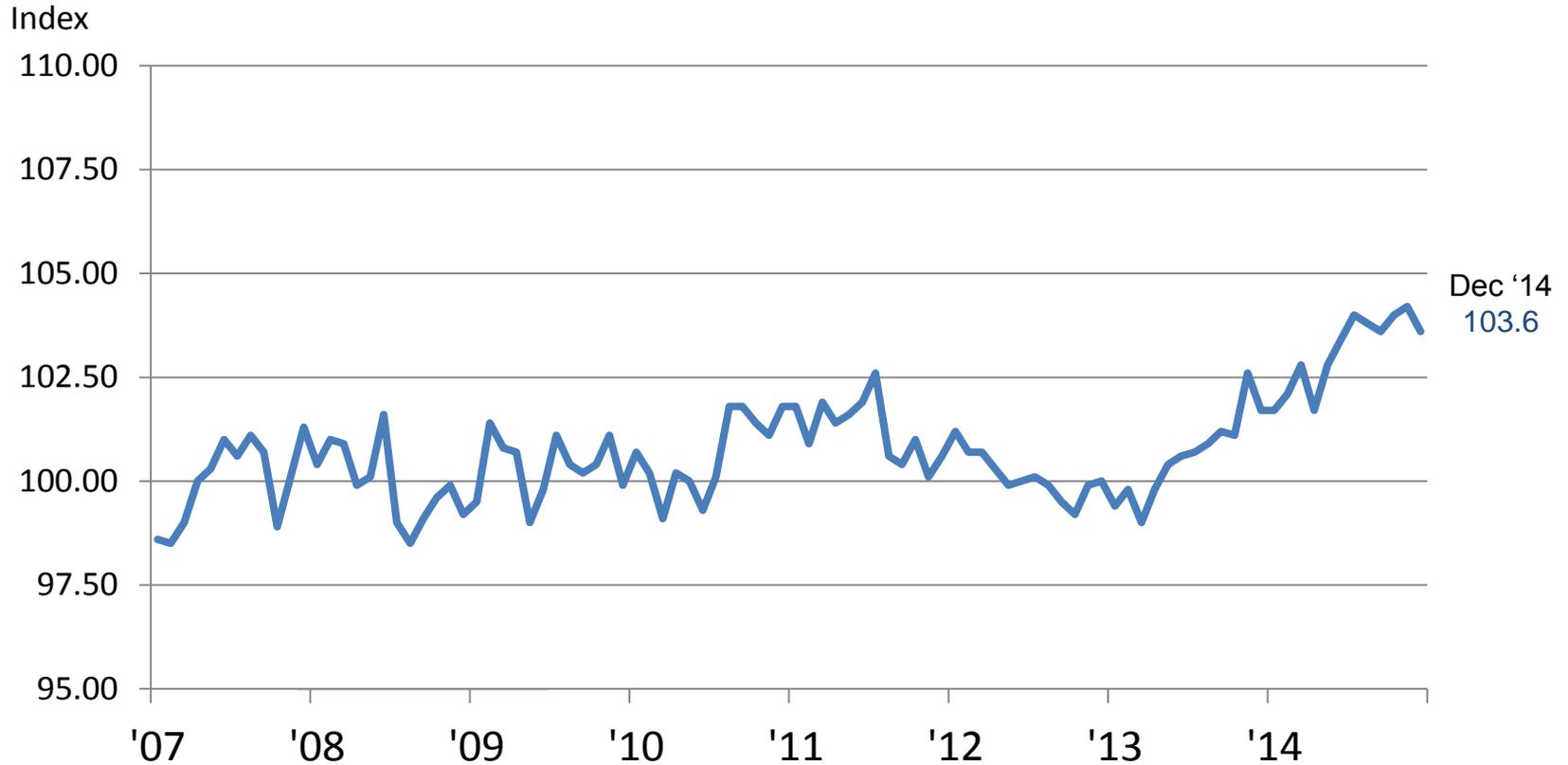
Automobiles & Parts



Source: U.S. Department of Labor: Bureau of Labor Statistics

Average Hourly Earnings

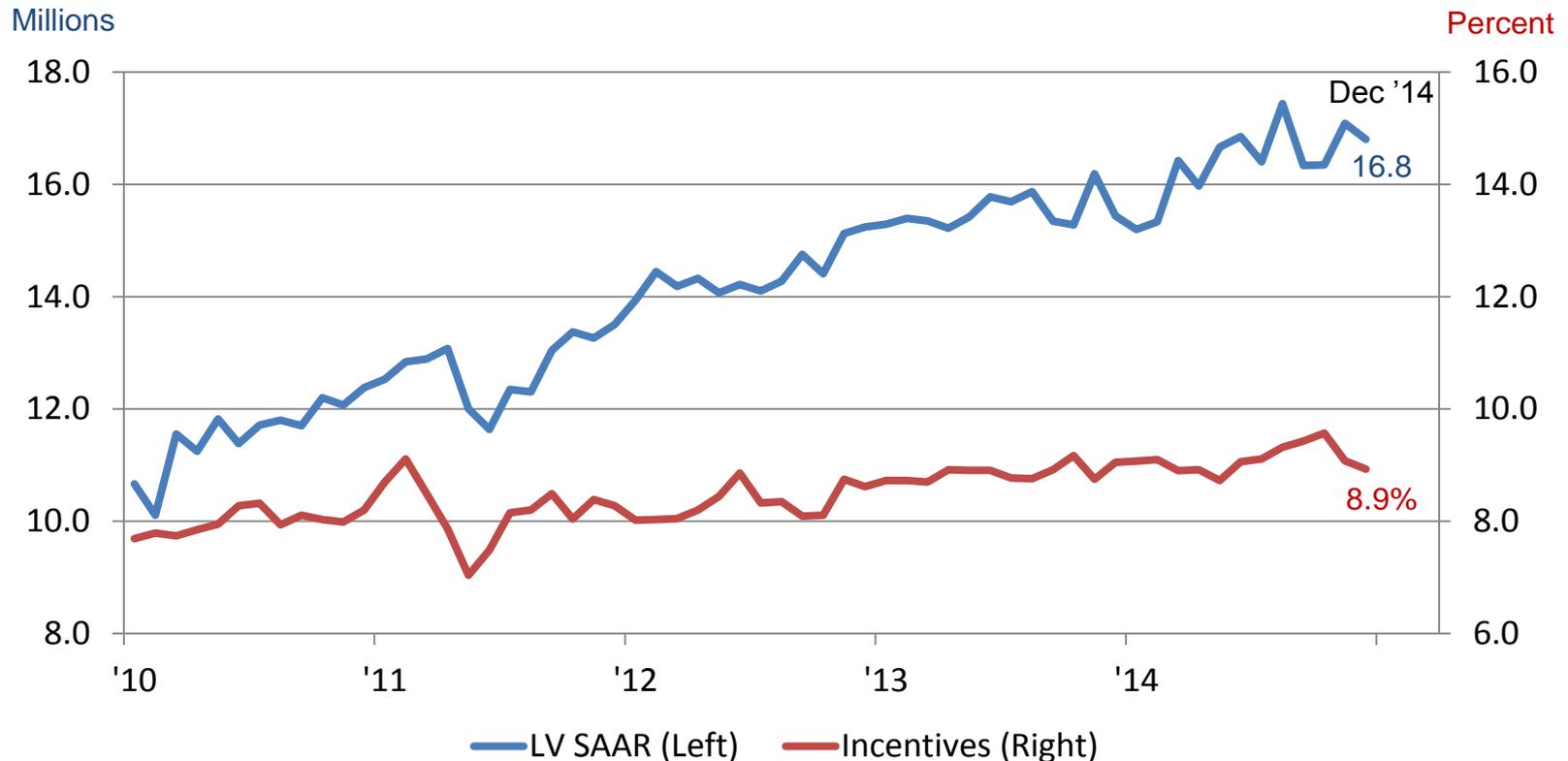
Total Automotive & Parts, Index – 2007 = 100



Source: Author's calculations using U.S. Department of Labor: Bureau of Labor Statistics data.

U.S. Light Vehicle SAAR & Incentives

S.A.A.R – Millions of Units & Incentive as % of Total Price

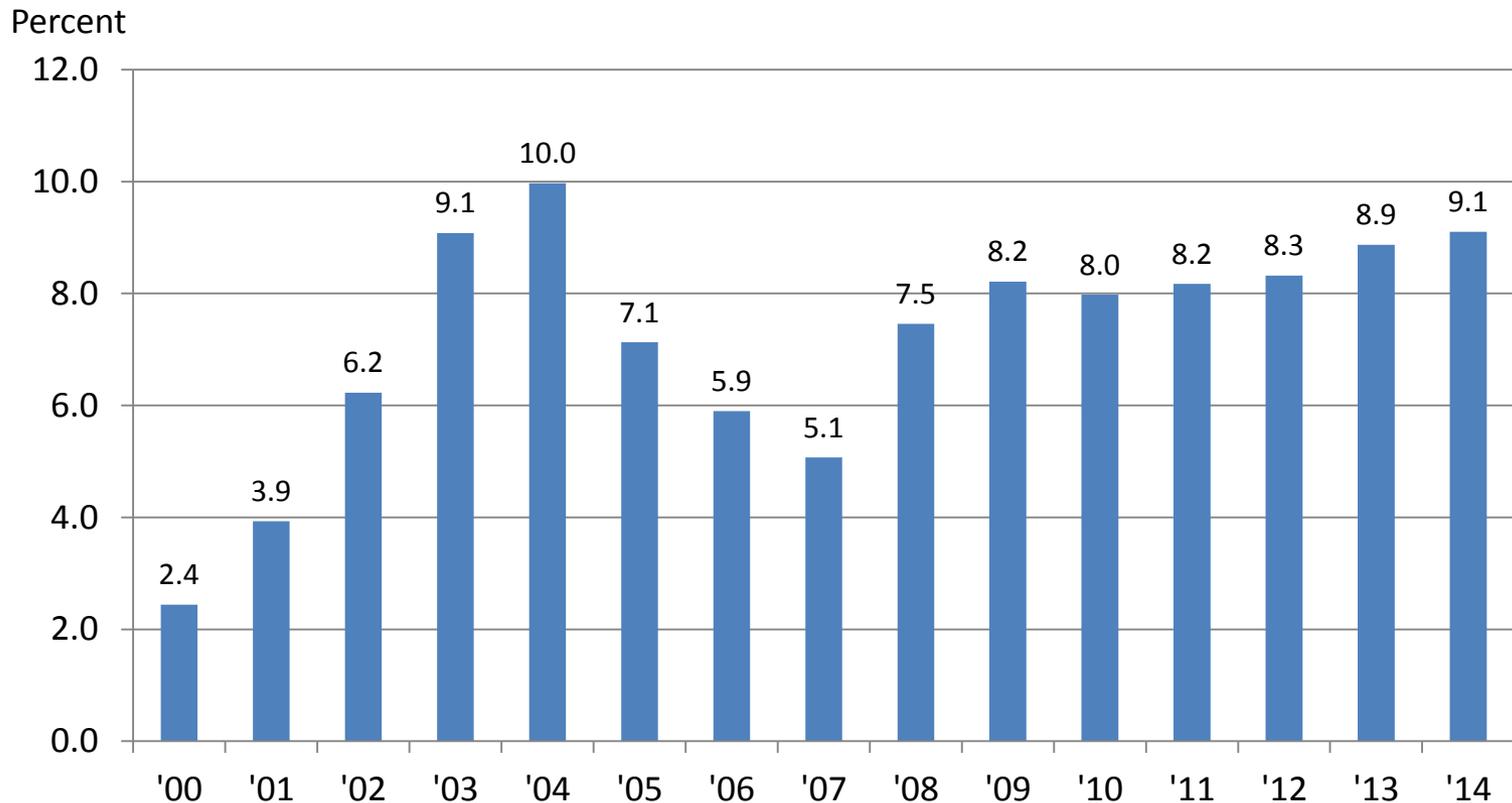


Note: Total price = Average Transaction Price + Average Incentive

Source: Author's calculation using Ward's Automotive and J.D Power data.

U.S. Light Vehicle Incentives

Incentive as Percent of Total Price

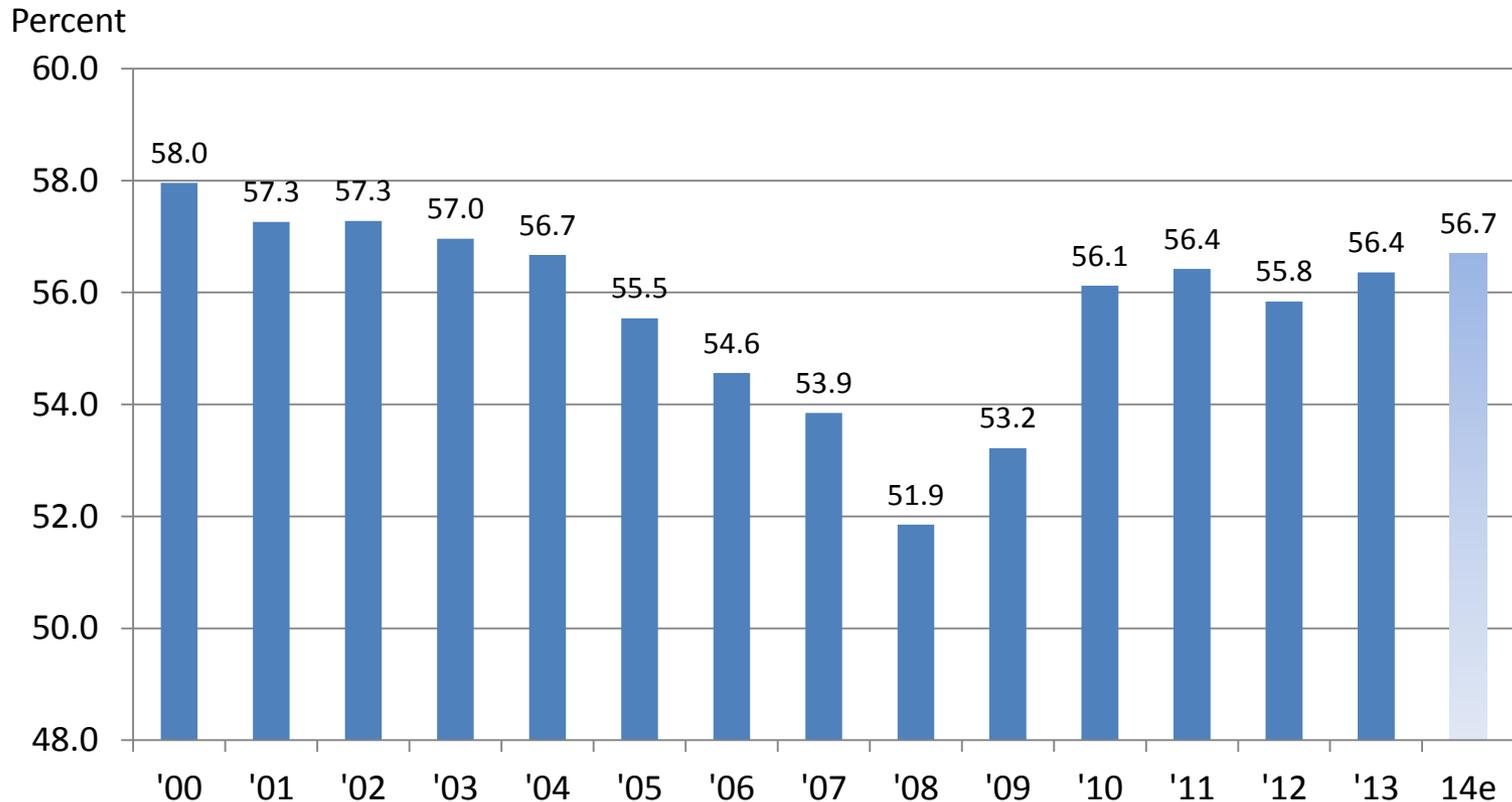


Note: Total price = Average Transaction Price + Average Incentive

Source: Author's calculation using J.D Power data.

Light Vehicle Transaction Price

Price as Percent of Median Household Income

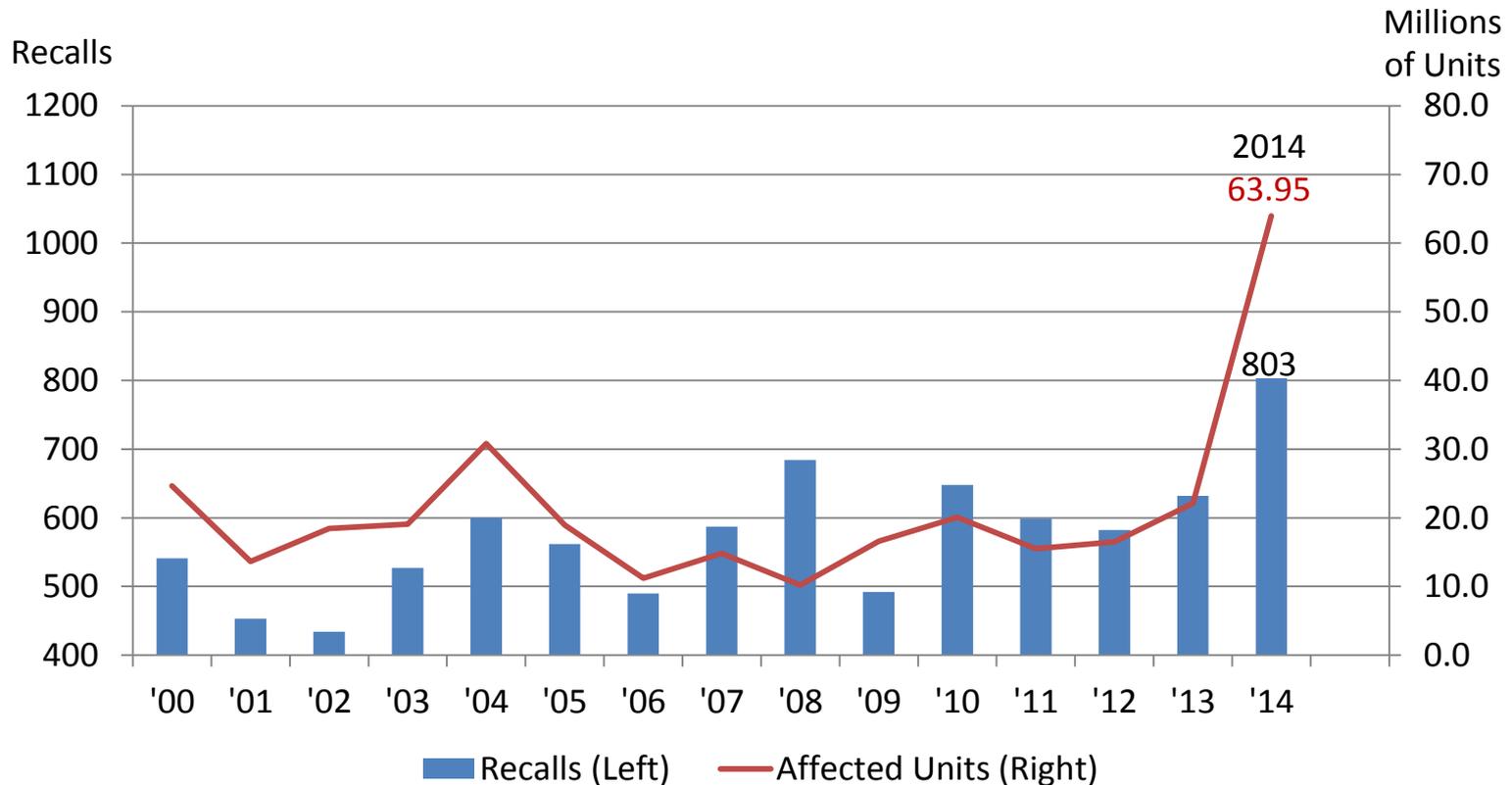


Note: Total price = Average Transaction Price + Average Incentive

Source: Author's calculation using J.D Power and U.S. Census Bureau data.

Vehicle Recalls

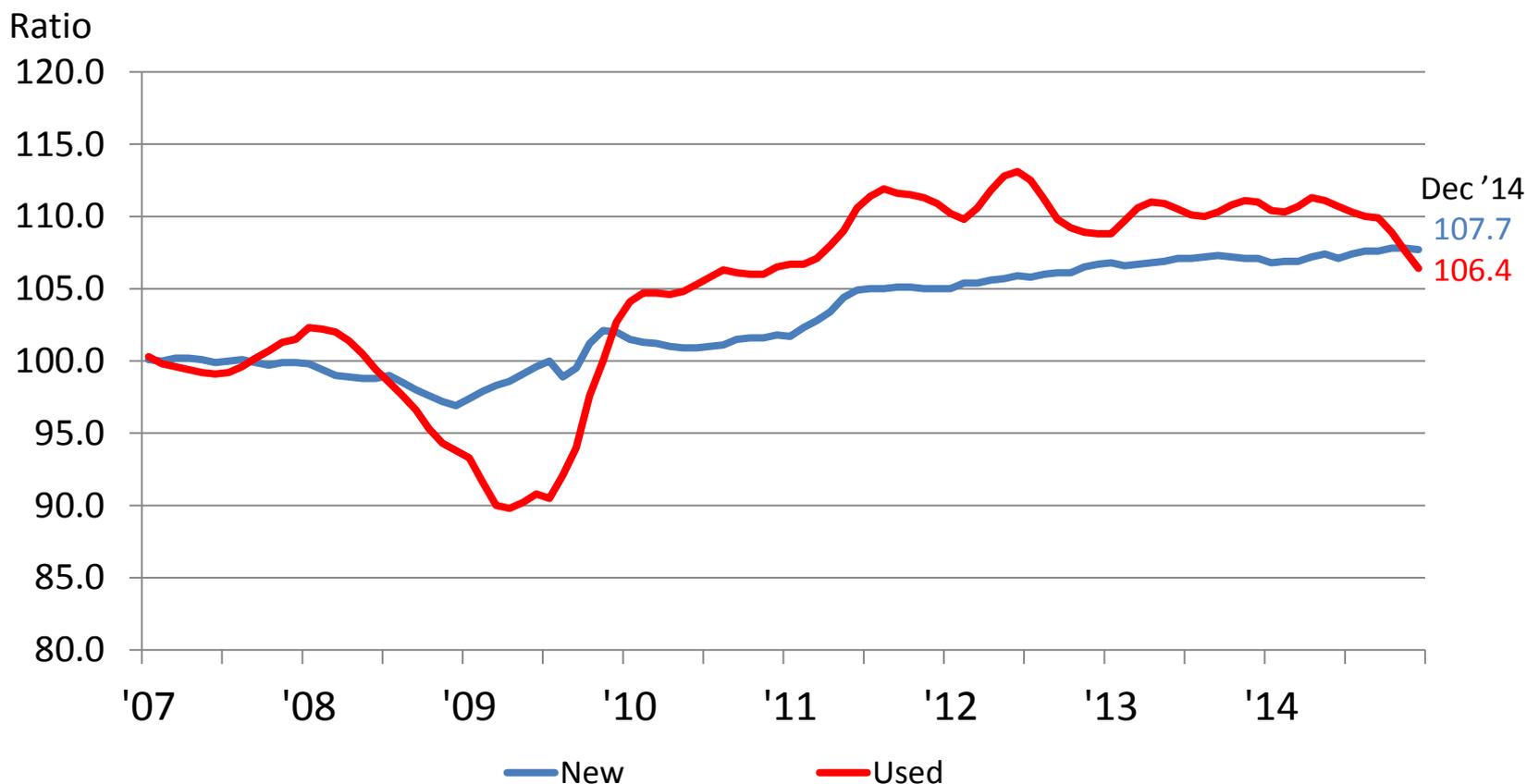
Vehicle Recalls and Affected Units



Source: U.S. Department of Transportation - NHTSA

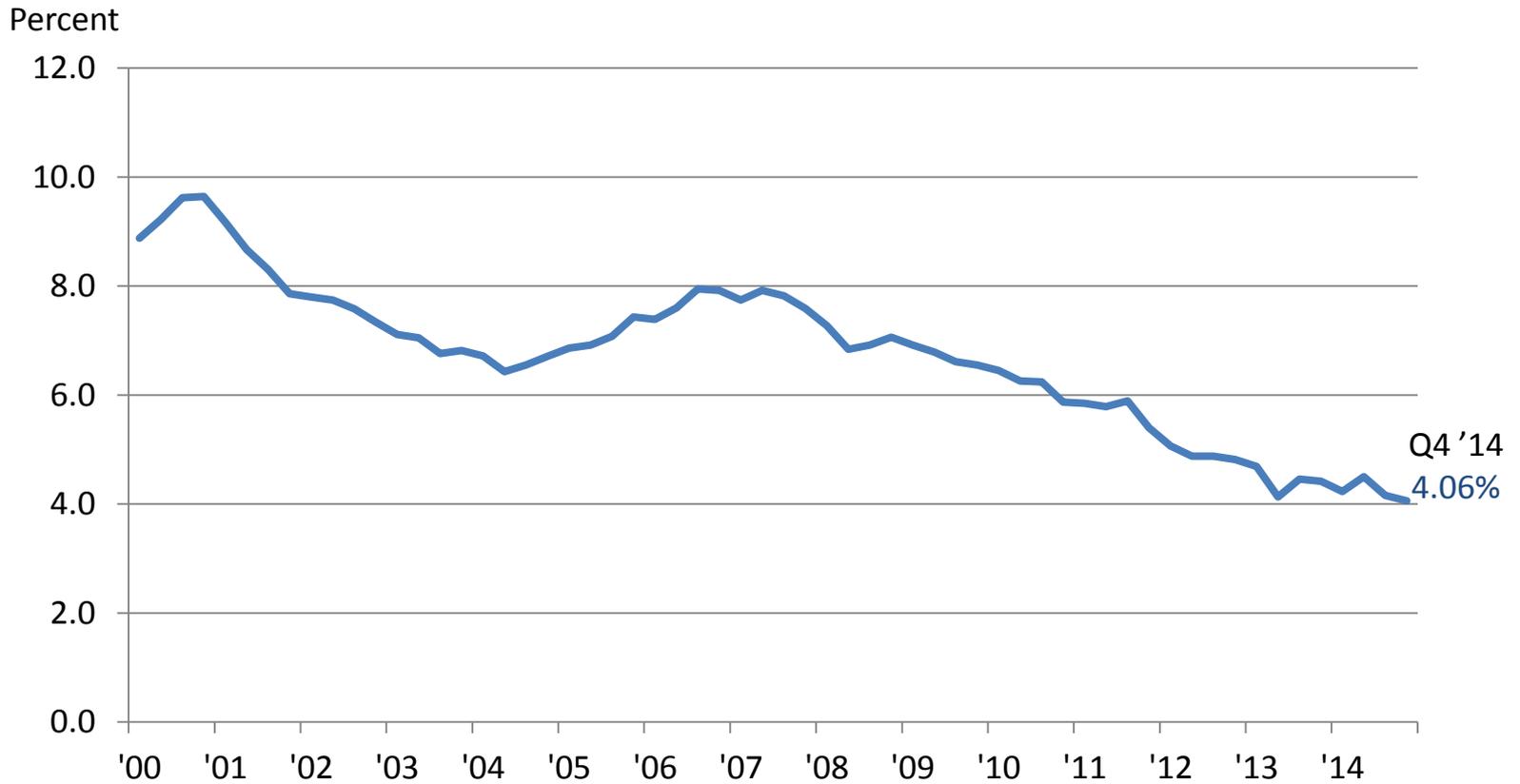
CPI New and Used Autos

Indexed: 2007 = 100



Auto Loan Rates

New Autos 48 Month Loan – Commercial Banks



Source: Federal Reserve Board of Governors

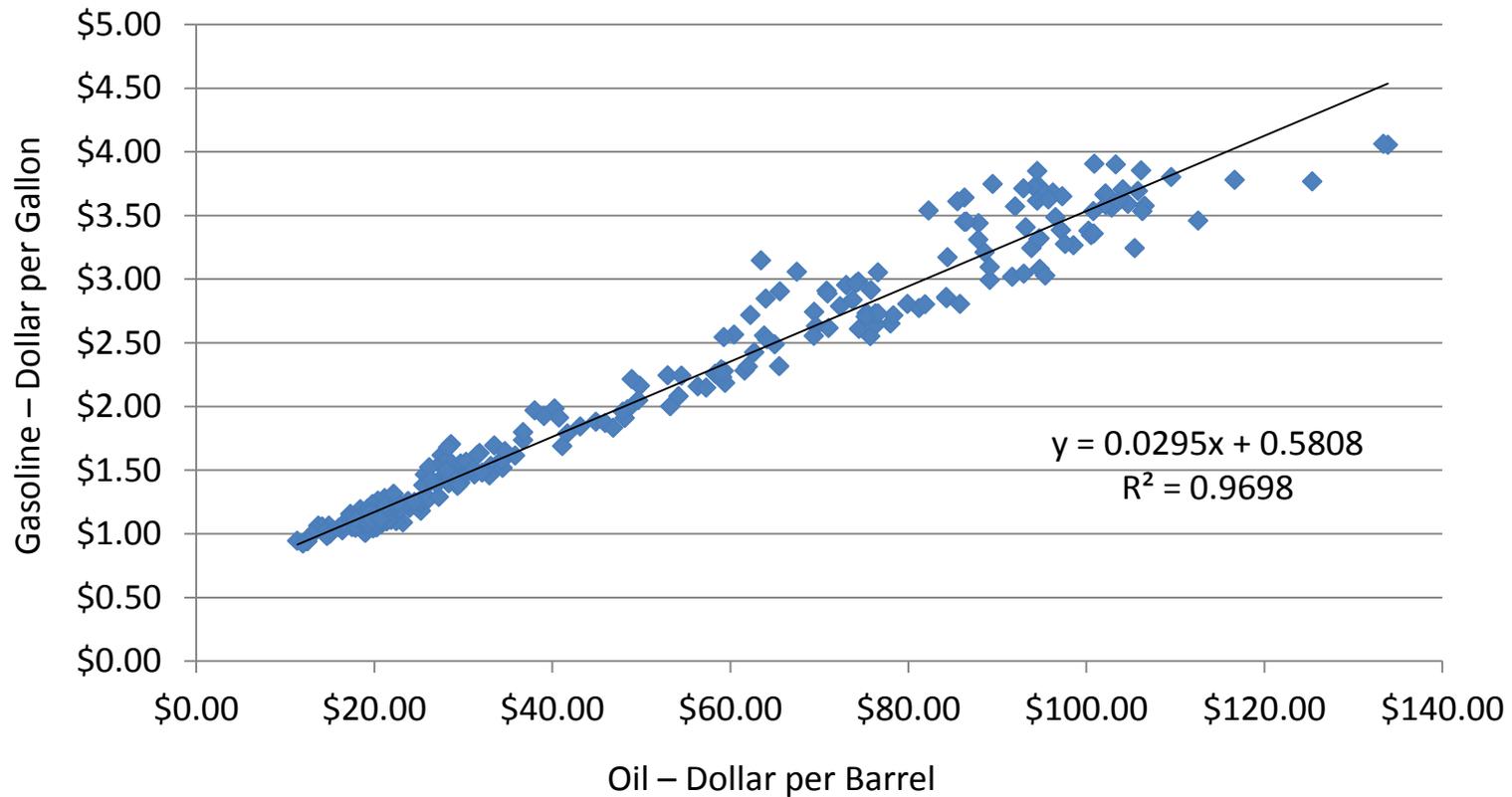
Changing Payment Durations

Percent Change in Payment to Percent Change in Loan Rate

Percent Change in Loan Rate	Percent Change in Payment by Duration			
	36 Months	48 Months	60 Months	72 Months
1%	1.5%	2.0%	2.4%	2.9%
2%	3.1%	4.0%	4.9%	5.8%
3%	4.6%	6.0%	7.4%	8.7%
4%	6.2%	8.1%	10.0%	11.7%
5%	7.8%	10.2%	12.5%	14.7%

Falling Gasoline Prices

Oil to Gasoline Relationship



Source: U.S. Energy and Information Agency

Crude Oil & Gasoline Price

WTI & National Average All Formulas - In Nominal Dollars

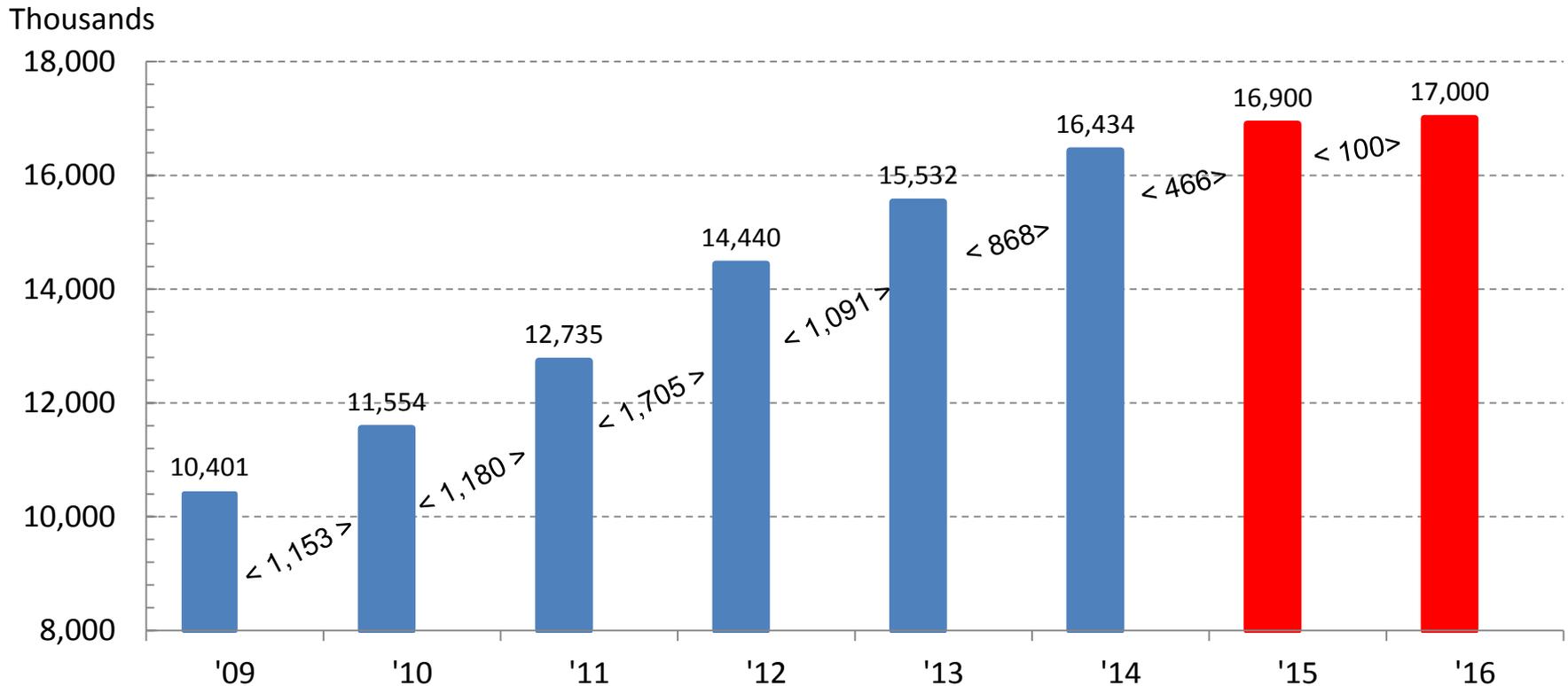


Note: The average driver will save about \$6.00 / year for ever \$0.01 decline in fuel price.

Source: U.S. Department of Energy .

U.S. Light Vehicle Sales

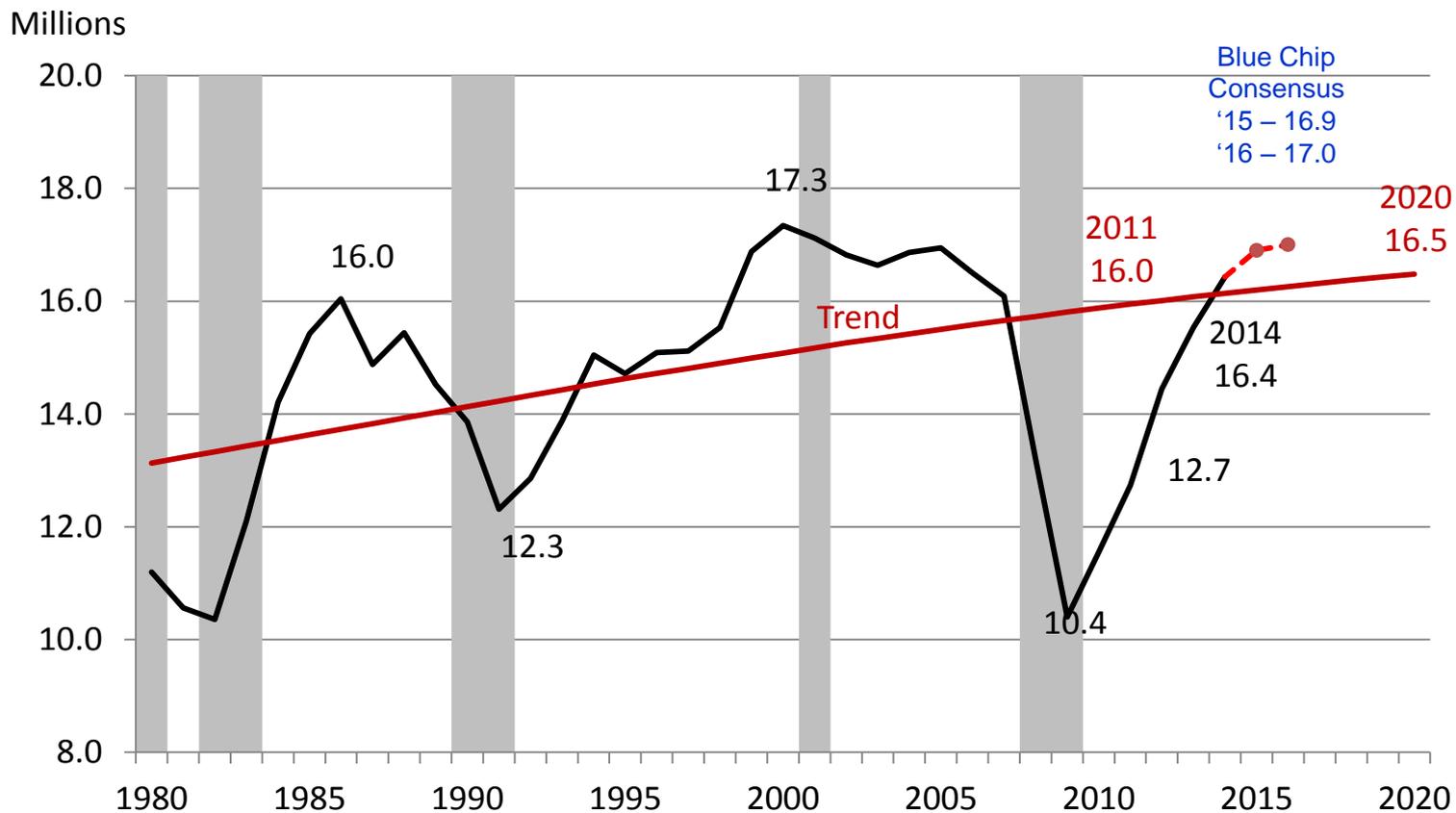
Thousands of Units – Calendar Year



Source: Ward's Automotive and BEA and IHS Automotive.

U.S. Light Vehicle Industry

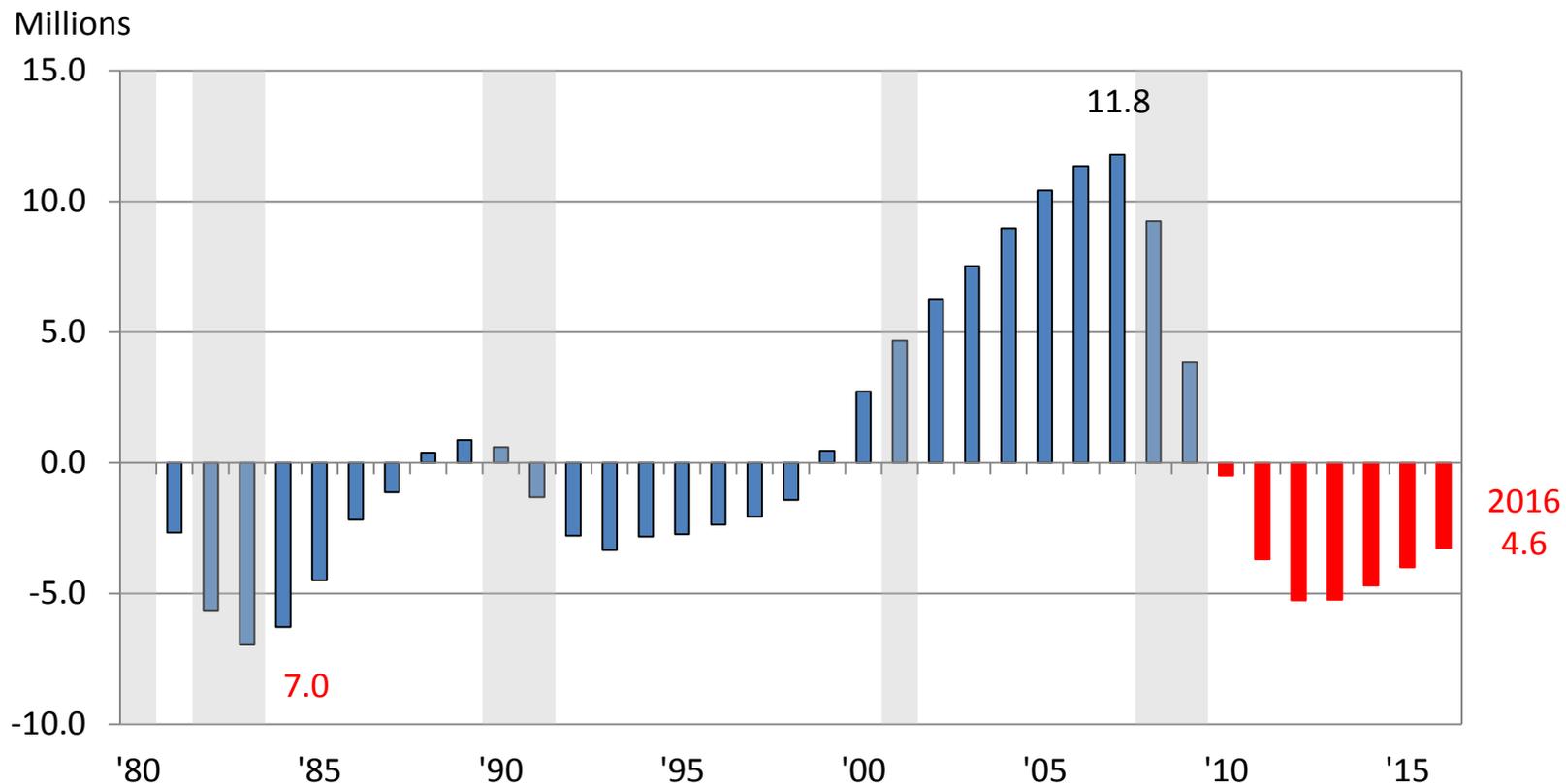
Millions of Units



Source: Ward's Automotive

U.S. Light Vehicle Pent-Up Demand

Millions of Units



<http://michiganeconomy.chicagofedblogs.org/>

