



# DRIVING DOLLARS

ECONOMIC IMPACT OF THE AUTOMOTIVE AFTERMARKET INDUSTRY

## Talking Points – SEMA Economic Impact Report

### Background

The SEMA Economic Impact Report analyzed the specialty equipment market and its effect on the national, state and local economies within the United States. The specialty equipment market includes manufacturers, distributors and retailers who produce and sell performance and accessory parts that are added to vehicles as upgrades (for performance, appearance, or restoration). These specialty aftermarket parts are used for passenger cars, trucks, and four-wheel off-road vehicles.

John Dunham & Associates (JDA) conducted this research, funded by the Specialty Equipment Market Association (SEMA), based on 2023 data for the United States economy.

### Talking Points

- The specialty equipment industry is more than just a niche aftermarket – it is a dynamic part of the nation’s economy, accounting for hundreds of billions of dollars in economic output. The total economic impact of the specialty equipment market adds up to about \$337 billion and supports over 1.3 million U.S. jobs.
- SEMA’s ecosystem:
  - Helps small businesses to grow, create new jobs and hire more workers.
  - Builds partnerships that expand local economies across the U.S.
  - Develops policies and technologies that help reduce emissions from vehicles, and fosters trust with customers, partners, and workers across the industry.
  - Fosters businesses that are on the forefront of change and driving innovation.
- Consumers spent \$52 billion on specialty automotive aftermarket products in 2022.
- While the US economy is still rebounding from the pandemic and other challenging economic issues arise, the specialty parts and accessories industry is an economic engine that consistently delivers jobs and revenue to all 50 states.
- SEMA’s Economic Impact Report shows the strength of the specialty equipment market’s economic footprint that benefits cities and states across the country, by providing America’s working families with opportunities for good jobs and great careers.
- We are an industry making essential contributions and providing great value to communities economically, while also supporting recreational opportunities for millions of enthusiasts and families.

- To put the direct impact of the specialty equipment industry in perspective, it directly employs more than twice the number of people as the U.S. aircraft industry, more people than the entire motion picture and video production industry, the beverage industry, the candy industry, the wine industry, and our industry is nearly as big as the beer industry.
- Details of the SEMA Economic Impact Report can be found on the SEMA website, [www.sema.org](http://www.sema.org), under the “advocacy” section. On the site, you will find data at the national, state, congressional district, state house and senate districts levels, to help you understand the impact in your area.
- **Why does this matter – and how important is our industry?**
  - Nationwide, the specialty equipment industry supports more than 1.3 million American jobs.
  - The industry has a significant economic impact on the country, with more than \$104 billion worth of wages and benefits earned by American workers annually supported by the specialty equipment industry.
  - The specialty equipment industry pays more than \$40 billion in federal (\$24 billion), state and local (\$16 billion) taxes which support the development of national and local infrastructure.

### **About the study**

- The SEMA EIR estimates the economic contributions made by the specialty equipment industry, which includes manufacturers, distributors and retailers who produce and sell aftermarket performance and accessory parts.
- Companies in the specialty equipment market make and sell parts for passenger cars, trucks and 4-wheel/off-road vehicles (dune buggies, ATVs, UTVs) that upgrade the performance or appearance of a vehicle or provide restoration for vintage and replica autos.
- The study was conducted by John Dunham & Associates using a standard econometric model maintained by IMPLAN. Data used in the modeling comes from sources including SEMA, Data Axle and various government reports.
- What is the difference between the SEMA Economic Impact Report and the SEMA Market Report? The annual SEMA Market Report details how consumers spend \$52 billion each year purchasing parts and accessories from the industry. The SEMA Economic Impact Report looks at the contribution that specialty equipment companies make to the U.S. national and local economies: jobs created, wages and benefits paid to employees, suppliers supported by the industry, communities buoyed by industry employees, and taxes paid to federal and state governments.