All cars on the road are used. At the moment a vehicle is driven off a dealer’s lot by a proud new owner, that vehicle becomes a used car. This document illustrates some key facts about the size, scope and economic impact of the used car industry in this country.

There are more than 278 million vehicles on U.S. roads, and every one of them is used. But even if one were to consider the 17.1 million new vehicles retailed in 2017 as still “new,” the number of used vehicles on the road today still dwarfs the number of new.

![Used Car Sales vs. New Car Sales](image)

Each year, consumers buy around 39 million used vehicles, about two and a half times the number of new cars sold. In 2017, for example, 39 million used vehicles were sold and 17.1 million new vehicles were sold. Even with the higher average price of new vehicles ($35,152) vs. used ($22,900), the total value of used transactions ($760 billion) exceeds that of new transactions ($598 billion).
Dealerships Active on Both Sides of Industry

There are around 60,000 auto dealerships in the U.S., including both new car dealerships (those affiliated with an auto manufacturer) and independent used car dealerships (ranging from small mom-and-pop lots to megadealers such as CarMax). New car dealers sell both new and used vehicles, while independent used car dealers sell only used. There are approximately 40,000 independent used car dealerships and 18,251 new car dealerships in the United States.

Used Vehicle Sales and Residuals Exhibit Stability

The stability in used vehicle sales volumes has long been recognized by analysts (and appreciated by dealers), but the history of residuals also showing only modest movements is not as well understood. The absolute change in the Manheim Used Vehicle Value Index has averaged only 2.9% per year over the past 20 years. The change in each of the last four years has been less than 2%. That stability has been achieved even though it is normally the used vehicle market that is forced to rectify any imbalance that may exist with the new vehicle market. Additionally, the bulk of commercially consigned units (off-rental, off-lease, and repossessions) represent supply that was created years ago and that now must be wholesaled regardless of price. In the auto industry, used vehicle values and used vehicle supply are always working to find balance, and they always do—an important reality in the auto industry and the economy as a whole.

Businesses That Rely on the Used Vehicle Industry

A wide range of employers are actively engaged in the used car industry, including independent used car dealers, new car dealers, wholesale auctions, rental car companies, vehicle manufacturers, banks, credit unions, financing companies, commercial fleets, and many others. More than 80,000 businesses participate in the used vehicle industry.