

# Looking Ahead

**Minority automobile dealers have weathered many storms, but 2001 may be particularly challenging.**

*By Jacqueline Mitchell and Monica Link*

Turn on TV and it's there. Turn on the radio and it's there. The Internet? Still can't escape it. The "it" is a widespread belief that the economy is slowing, that the bountiful tide is turning. Sure, recent vehicle sales remain strong, but pundits tell us that we should be concerned.

After all, they say, auto companies are downsizing, and suppliers -- firms that service manufacturers -- are really feeling the pinch, laying off workers as well. And on top of that, they lament, consumers are feeling slightly skittish. All of which begs the question: what's going to happen to people of color who are trying to sell cars?

There are some 23,000 auto dealerships in the United States selling vehicles with marques produced both here and elsewhere. Now here's the clincher: ethnic minorities only own 1,000 of those dealerships. That is woefully low considering that people of color -- African Americans, Hispanics, Asians and Native Americans -- comprise more than 25 percent of the U.S. population.

"The reality in 2001 is that nobody who is part of a community of color is being given the access and opportunity they need," said Sheila Vaden-Williams, president of the National Association of Minority Automobile Dealers (NAMAD). She suggests a reasonable starting target is 20 percent of all dealerships, rather than the current ratio of less than one percent.

The data gets even more specific. In 1997, African Americans On Wheels conducted its first survey of minority dealerships, using figures from 1996.

At that time, Ford Motor Co. had the most African-American owned dealerships, with 240 (out of 5,120 total Ford dealerships). It still has the highest number, with 258 of 4,122 dealers. Here is the encouraging news: as Ford has slashed its number of dealerships overall, it has increased its total of African-American owned franchises.

Progress is evidenced on other fronts. At the time of our first survey, Lexus, Jaguar, and others had no African-American owned dealerships.

Nowadays, all the top-selling brands have at least one Black dealer, and all have people of color selling cars for them.

"Toyota is dedicated to looking at opportunities when they exist and finding qualified minority dealer candidates that fit individual locations," said Irv Miller, a Toyota executive.

Necip Soyak, an executive vice president at Volvo, agreed, saying: "Volvo's long-term mission is for their dealership to reflect society at large, in a natural and inclusive manner. We are almost exclusively looking at the African-American market since it is already developed."

NAMAD, founded in 1990 to address concerns and challenges facing minority dealers, might be in the midst of one of its most challenging years to date.

For one thing, there are internal issues. Most recently, a band of Hispanic auto dealers formed their own minority advocacy association, signaling a potential rift among NAMAD ranks. Members of the Hispanic Auto Dealers Association say they've felt shut-out of NAMAD, though not all Hispanic auto dealers agree.

"There's nothing wrong with (Hispanics) getting together," Danny Ramirez, an Hispanic Ford dealer, told Diversityinc.com. "But I truly believe that everybody needs to stick together. With all the ethnic groups sticking together, we will be much louder and stronger."

Says Vaden-Williams: "We represent all ethnic minority dealers and will continue to do so. We will address the critical concerns. Going through this process will help NAMAD and we'll be stronger for it."

On another front, NAMAD is contending with some non-minority dealers who seek to derail dealer development programs through state legislation. Such programs were started by automakers as a way to recruit and train ethnic minorities to become dealers. The fact is that many dealerships are handed down through generations, but because ethnic minorities are just now gaining a foothold in the ownership department, they have generally not enjoyed the same advantages.

For the most part, the development programs have helped minorities to break through the cycle. One of the ways in which it does that is to allow ethnic minorities to put up a smaller amount of up-front cash than what is required from non-minority prospective dealers -- more than a million bucks. The automaker, over time, then buys the store back from the minority dealer.

Be it the economy, in-house dissension, or any of a number of issues, these are indeed trying times for minority dealers.

Said Vaden-Williams: "There are some some real threats on the horizon."