

THINK LIKE AN F&I MANAGER

EFG Subprime Intelligence

Consumer Confidence Plunges

Just as consumers began to see the light of day again, the government shut down. The shutdown negatively impacted the economy, and consumer confidence, which is now the lowest since November 2011.

Unemployment rates continue to be problematic. Consumers getting back on their feet are still highly concerned over personal finances and the need to, once again, batten down the hatches in the 4th quarter.

However, one fact remains the same: the retail automotive sector continues to experience gains.

One major contributor to the rise of auto sales is subprime lending, being at its highest point since 2008. But, even those subprime consumers who are working again, have income and are in the market for vehicles, still fear that the economy will worsen. Faced with more options, which subprime lenders are F&I Managers likely to do business with? They will more readily position loans that boost consumer confidence by being packaged with vehicle protection products designed to insulate the customers' wallet. These loans boost dealer's penetration numbers while giving you a better edge to gain a greater share of auto loan transactions.

Consumer Stats At-A-Glance:



CONSUMER CONFIDENCE

47% of consumers surveyed this month believe the economy will **WORSEN**, up 13 points from September.



CONSUMER COMFORT INDEX

The monthly Bloomberg Consumer Comfort Index **PLUNGED** more than 20 points to **-31** this month, the lowest level since November 2011.



JOB OUTLOOK

MORE Americans than forecast filed applications for **unemployment** benefits last week.



PERSONAL FINANCE INDEX

Americans' views of their personal finances **FELL** from 4.7 to **-0.1**, the first negative reading in five weeks.



AUTO SALES

Auto sales in America **ROSE 4%** in September 2013.