AutoJobPros.com

It’s no secret that...

The Cost of Turnover in the Automotive Industry is Huge!

The labor turnover rate in the automotive industry is currently at an exceptionally high level, with recent data indicating a 46% annual turnover rate across the industry with estimated total cost of turnover in the automotive retail sector estimated to be $174 million to $348 million annually.

Key Turnover Statistics in the Automotive Space (2025-2026):

- ★ Dealerships (Sales & Service): The turnover rate for car dealership employees is high, frequently averaging over 46% annually. Sales consultants experience the highest rates, with some reports showing a 67% to 126% annual turnover rate.
- ★ Technicians: The automotive technician turnover rate is approximately 30% annually, with half of all entry-level technicians leaving their positions within two years.
- ★ Manufacturing: Turnover in automotive components manufacturing is estimated at 18% to 26% annually.
- ★ New Hire Turnover: A significant portion of turnover occurs early, with 50% to 58% of new employees quitting within their first 90 days or first year.
- ★ Factors Driving High Automotive Turnover:
- ★ Work-Life Balance: 40% of former dealership staff reported leaving due to work/life balance issues, such as long hours and weekend work.
- ★ Career Growth: A lack of clear career pathing is cited as a top reason for turnover.
- ★ Compensation: Competitive pay, or the lack thereof, remains a top driver for staff leaving, particularly for hourly workers.
- ★ Lack of proper Training: Inadequate training or lack of a structured onboarding process contributes significantly to early turnover.

Want to improve your retention?

See our white paper titled “I can’t get no... satisfaction!”