

## **Average Age Of U.S. Autos Hits 10.8 Years**

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## **Average Age Of U.S. Autos Hits 10.8 Years**

Tom Krisher, AP Auto Writer

DETROIT (AP) — That clunker in America's driveway has reached a record old age, but there are signs that people may be growing confident enough in the economy to get a whiff of that fresh new car scent very soon.

The average age of a car or truck in the U.S. hit a record 10.8 years last year as job security and other economic worries kept many people from making big-ticket purchases such as a new car.

That's up from the old record of 10.6 years in 2010, and it continues a trend that dates to 1995, when the average age of a car was 8.4 years, according to a study of state vehicle registration data by the Southfield, Mich.-based Polk automotive research firm.

However, Polk Vice President Mark Seng says that a rebound in sales last year and expected growth for the next couple of years is likely to slow the growth rate in the age of cars as a whole in America. Polk has not predicted if or when the age will start to drop, but Seng doesn't see that happening for at least two or three years, if not longer.

"It's going to take the good economy several years of very high sales again, and people being willing to let go of those older vehicles that they've been holding onto," Seng said.

Last year, auto sales rebounded a bit to 12.8 million vehicles, especially in November and December, when sales were unusually strong. In 2010, U.S. sales totaled 11.6 million after hitting a 30-year low of 10.4 million in 2009. Polk expects sales around 13.7 million this year, rising by about 1 million per year through 2016, when they reach about 16 million. That's back to around what industry analysts consider normal, and approaching the U.S. sales peak of 17 million in 2005.

But even a 1 million per year sales increase will have little impact on the average age because there are more than 240 million cars and trucks on the roads in the U.S., Seng says.

The aging of the American auto fleet has been a big boon for repair shops and companies that sell replacement auto parts, and Seng expects that to continue. He says people can hang onto their cars longer because automakers are making them far better than they did in 1995, the first year that Polk began tracking the average age.

Polk also says the number of vehicles in the U.S. has been falling since 2008, but that trend reversed itself last year. In 2010, there were 240 million cars and trucks registered in the U.S. That grew slightly to 240.5 million last year, the company

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said.

The aging vehicle trend and relatively slow sales have kept auto companies and parts makers from hiring new workers in great numbers, and that helps to hold unemployment at relatively high levels. Last month, the unemployment rate fell to 8.5 percent — still high, but the lowest level in three years.

But that started to change last year as sales started to rebound. Last January, Ford said it would hire 7,000 workers over the next two years. During the summer, GM said it would add 2,500 at the Detroit factory that makes the Chevrolet Volt electric car. Volkswagen hired 2,000 for a new plant in Tennessee, and Honda added 1,000 in Indiana. Just last week Chrysler announced plans to add 1,250 jobs at two Detroit factories next year, mainly to build a diesel version of the Jeep Grand Cherokee.

The industry will add 167,000 jobs by 2015, a 28 percent increase over current levels, predicts The Center for Automotive Research in Ann Arbor, Mich.

Government estimates show Americans spent roughly \$40 billion more on new cars and trucks in 2011 than in 2009. Based on annualized figures from the first quarter of 2011, new-car spending totaled \$206 billion, or 1.3 percent of the gross domestic product, Commerce Department data shows. That compares with \$166 billion in 2009, about 1.2 percent of the country's economy.

Polk said the average age of a car in the U.S. last year was 11.1 years, while the average truck was 10.4 years old.

In 2010, the average age of a car was 11 and the average truck was 10.1 years old.

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