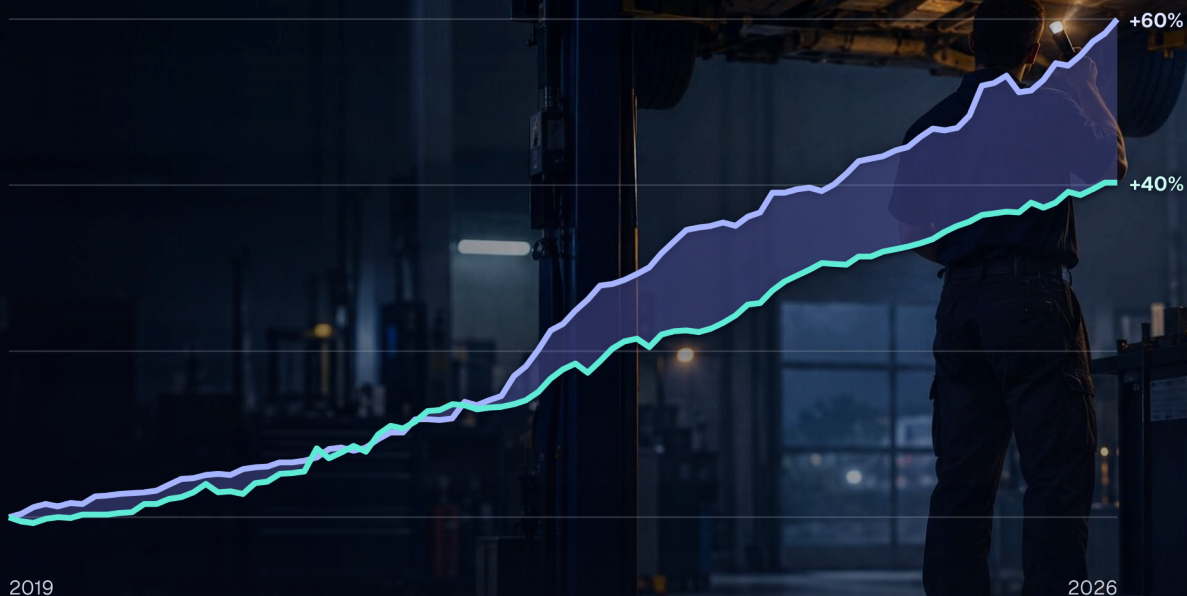




# The Shop Owner's Market Report

Automotive repair · October 2026 edition

**+60%**

Repair prices since 2019

**+40%**

Pay in auto repair

**5.6%**

Auto loans 90+ days late

# Repair prices are up 60% since 2019, pay in auto repair is up 40%, and late car payments hit a record in early 2026

What public data says about pricing, hiring, declined work and whether your next store has room to win. Built for independent shop owners and multi-shop operators, with every chart sourced and dated.

By **Scott Ewalt**, Cardinal Element    Oct. 9, 2026    Public data through Oct. 2026

+60%

Repair and maintenance prices since Jan. 2019



+40%

Average hourly pay for everyone working in auto repair



5.6%

Auto-loan dollars 90+ days late in Q1, the highest since at least 2003



3.34T

Miles driven in the past 12 months, a record, with gas up 42%



# Repair prices have grown faster than repair pay since 2022

Through 2021, pay in auto repair kept pace with what shops charge. In 2022 and 2023, prices rose much faster, and the gap has stayed open. For a shop owner, that gap is a warning.

Repair and maintenance prices are up **60%** since January 2019, by the government's consumer price index.

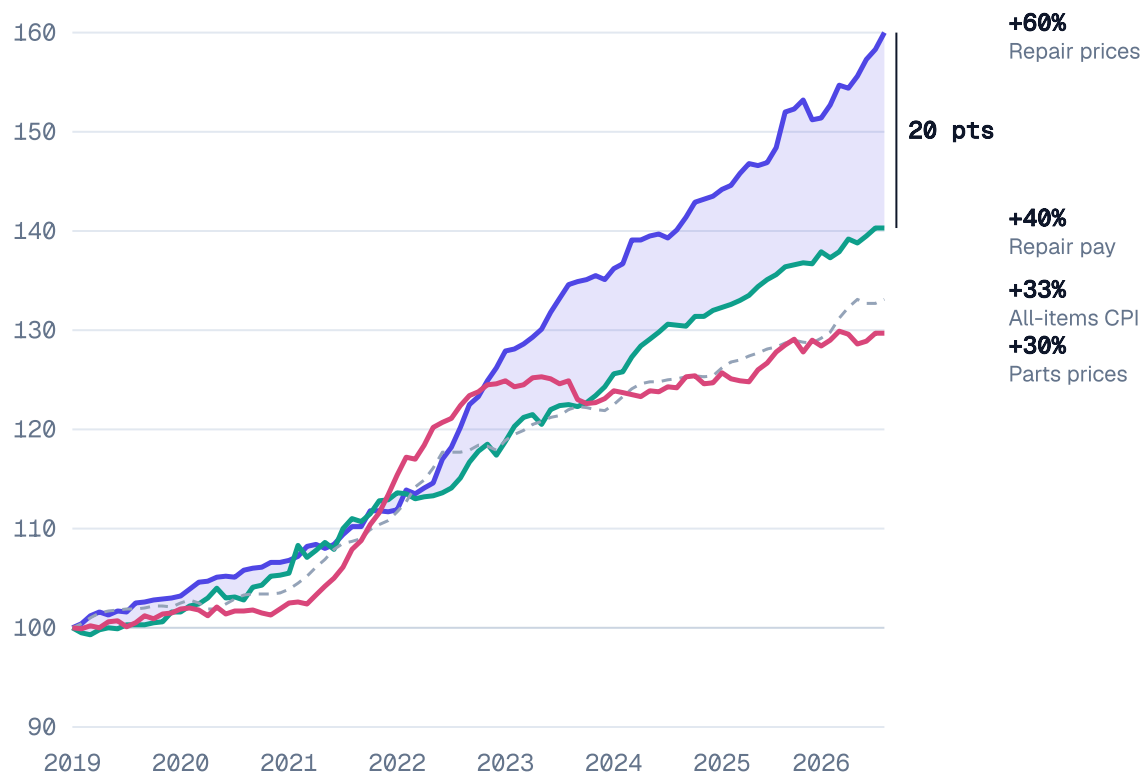
Average hourly pay in auto repair is up **40%**, from \$21.76 to \$30.52. The shaded area is the gap.

Overall inflation is up 33%. Parts prices are up 30%. Most of the gap doesn't land as profit, because insurance, rent, utilities and comebacks take their share first.

## Prices vs. pay since January 2019

Index, January 2019 = 100

— Repair and maintenance prices — Hourly pay in auto repair - - All-items CPI — Parts and equipment prices



Source: BLS CPI (not seasonally adjusted) and Current Employment Statistics, NAICS 8111, through August 2026.

Prices minus pay, month by month: before 2020, pay usually grew faster. In January 2023, prices led by **9.6 points**. Prices have grown faster than pay in **every monthly reading since January 2025**. In August, repair prices were up 5.2% from a year earlier. Pay was up 2.8%. Your techs read the same headlines your customers do.

How much faster prices grew than pay

Year-over-year change in repair prices minus year-over-year change in hourly pay, percentage points



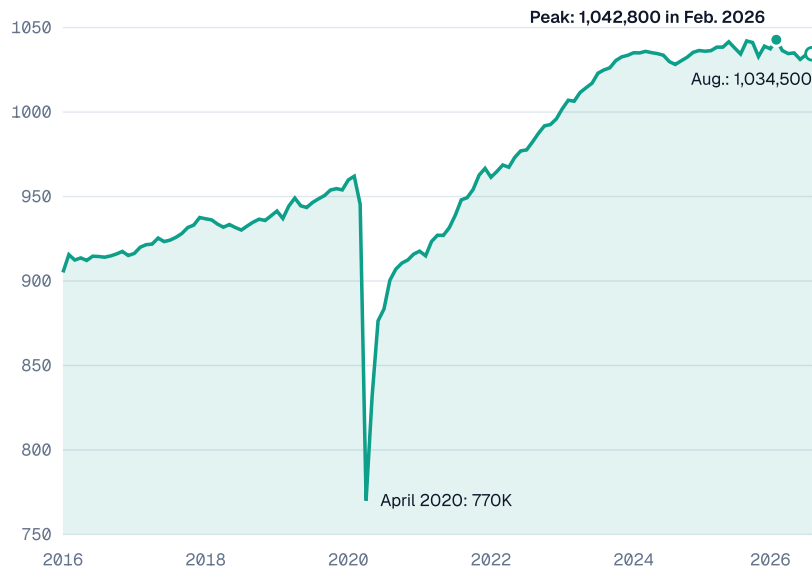
Source: BLS CPI (not seasonally adjusted) and Current Employment Statistics, NAICS 8111, through August 2026.

Auto repair employment peaked at 1,042,800 in February and has slipped since. When the pool stops growing, your best tech is one phone call from the dealer down the road.

### Employment in auto repair and maintenance

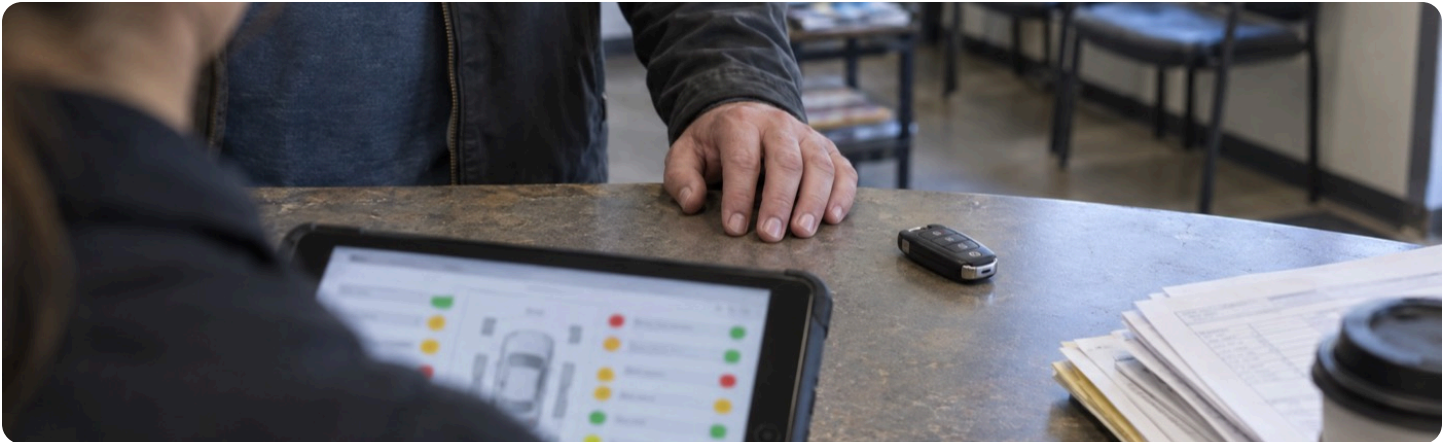
Thousands of jobs, seasonally adjusted

— Jobs in auto repair and maintenance



Source: BLS Current Employment Statistics, NAICS 8111, through August 2026.

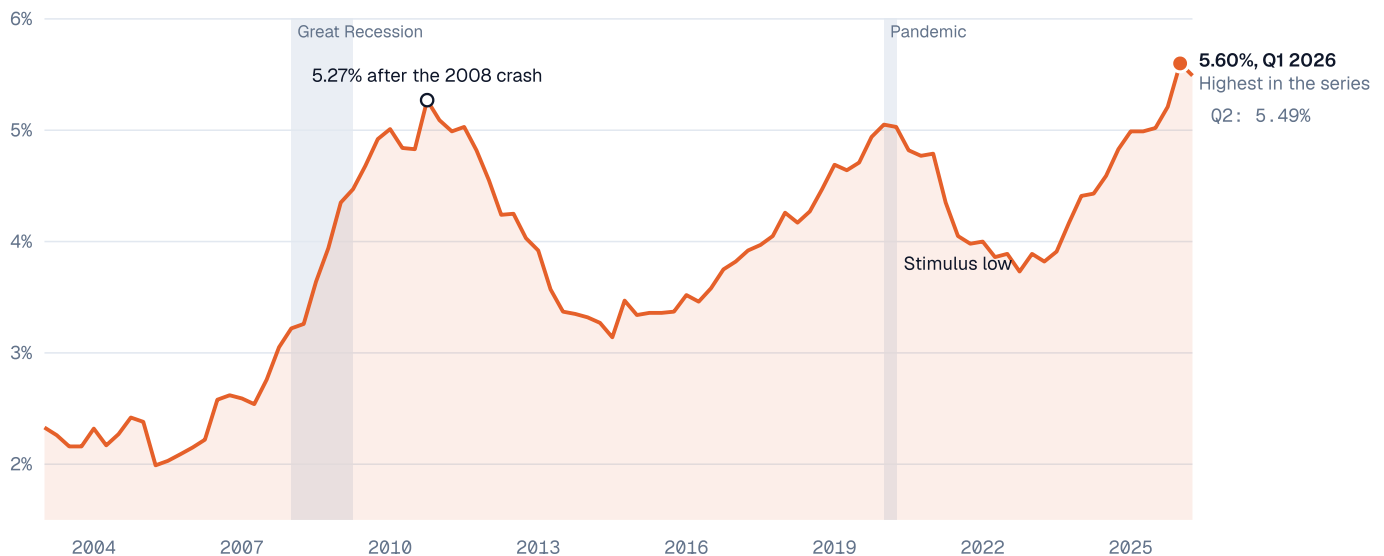
# Late car payments reached their highest level since at least 2003



The share of auto-loan dollars 90 or more days late hit 5.6% in the first quarter of 2026, above the peak after the 2008 crash. It eased to 5.49% in the second quarter. A customer who is behind on the car payment is the one most likely to decline the brake job.

## Share of U.S. auto-loan balances 90 or more days delinquent

Quarterly, 2003 to Q2 2026. Hover for any quarter.



Source: Federal Reserve Bank of New York, Household Debt and Credit Report (Consumer Credit Panel / Equifax), Q2 2026.

**What it means at the counter:** approval rates fall before ARO does. Expect more "just what I need today." Present good, better and best, track deferred work like money owed, and decide whether to offer financing at the counter.

# Miles driven hit a record in July even as gas prices climbed

High gas prices usually cut discretionary miles, and that hasn't happened this year. Americans drove 3.34 trillion miles in the 12 months through August, a record, while regular gas reached \$4.35 a gallon in early October, up 42% from a year earlier.

## Regular gasoline, dollars per gallon

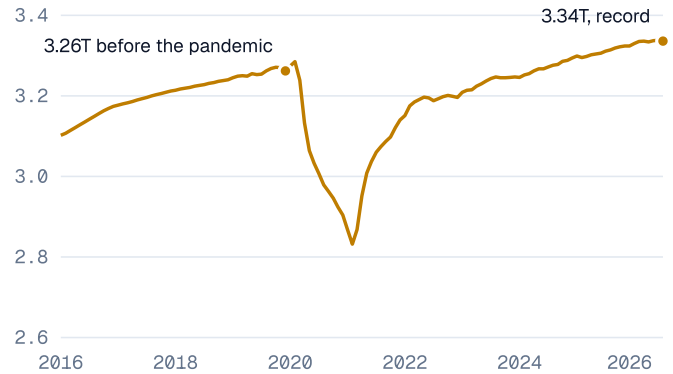
Monthly average, 2016 to September 2026



Source: U.S. Energy Information Administration via FRED (GASREGW). Latest weekly reading: \$4.35 on Oct. 5.

## Vehicle miles traveled, trailing 12 months

Trillions of miles, 2016 to August 2026

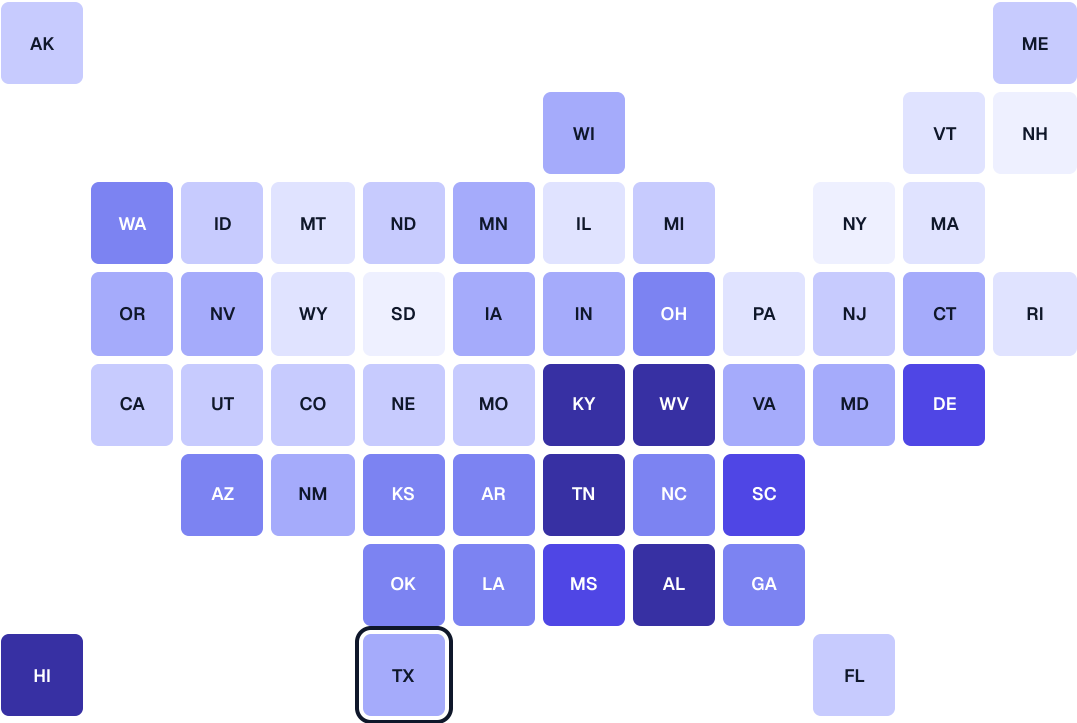


Source: Federal Highway Administration, Traffic Volume Trends via FRED (TRFVOLUSM227NFWA). Twelve-month sums remove seasonality.

**What it means at the counter:** the wear keeps coming. Right now car count depends less on demand than on what customers can approve and how fast you can staff the bays.

# Vehicles per auto service business range from 1,089 to 2,017 by state

Nationally there are about 1,470 household vehicles for every automotive service business (repair, body, glass, lube and car wash). Tennessee has more than 2,000. New Hampshire and New York have fewer than 1,100. Pick a state to see its business count, mix and loan stress.



Household vehicles per auto service business 1,150 or less to 1,900 or more

Sources: Census Bureau County Business Patterns 2023 (all NAICS 8111 establishments: repair, body, glass, lube and car wash) and American Community Survey 5-year (household vehicles), rolled up from ZIP codes; NY Fed state auto delinquency, Q4 of each year. D.C. is left out because ZIP-level business counts undercount dense cities.

# Engines and electrical systems draw the most owner complaints, and driver-assist complaints come earliest

The average light vehicle on U.S. roads is 12.8 years old, according to S&P Global Mobility. That number alone won't change your week. It gets useful when you tie it to what breaks on those cars, and at what mileage.

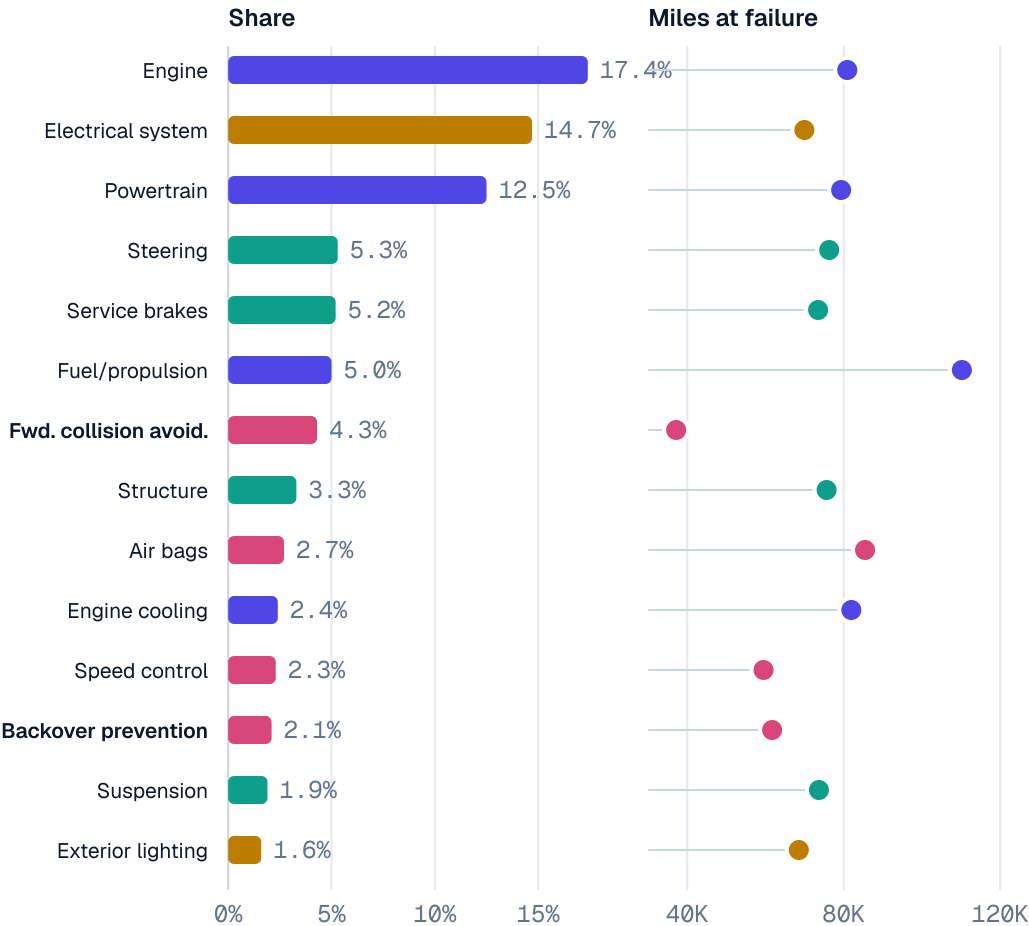
Owner complaints to NHTSA show the pattern. Engines, electrical systems and powertrains make up 45% of complaints, and the typical complaint comes between 70,000 and 81,000 miles. That should shape your inspection script and your parts stocking.

Forward collision avoidance stands out. Those complaints come at a typical 37,000 miles, more than 20,000 miles earlier than anything else on the list. Most of those cars are new enough to go back to the dealer today. As they age out of warranty, that calibration work comes to shops equipped for it.

## What owners report breaking, and when

NHTSA owner complaints filed in 2025 and 2026, by vehicle system. Bars show share of complaints; dots show typical mileage at failure.

● Engine and powertrain ● Electrical ● Chassis and brakes ● Driver-assist and safety systems



Source: NHTSA Office of Defects Investigation complaints flat file, filings received 2025 to 2026 (181,000+ complaints). Mileage is the complaint-weighted median of each make and model. Excludes "unknown or other."

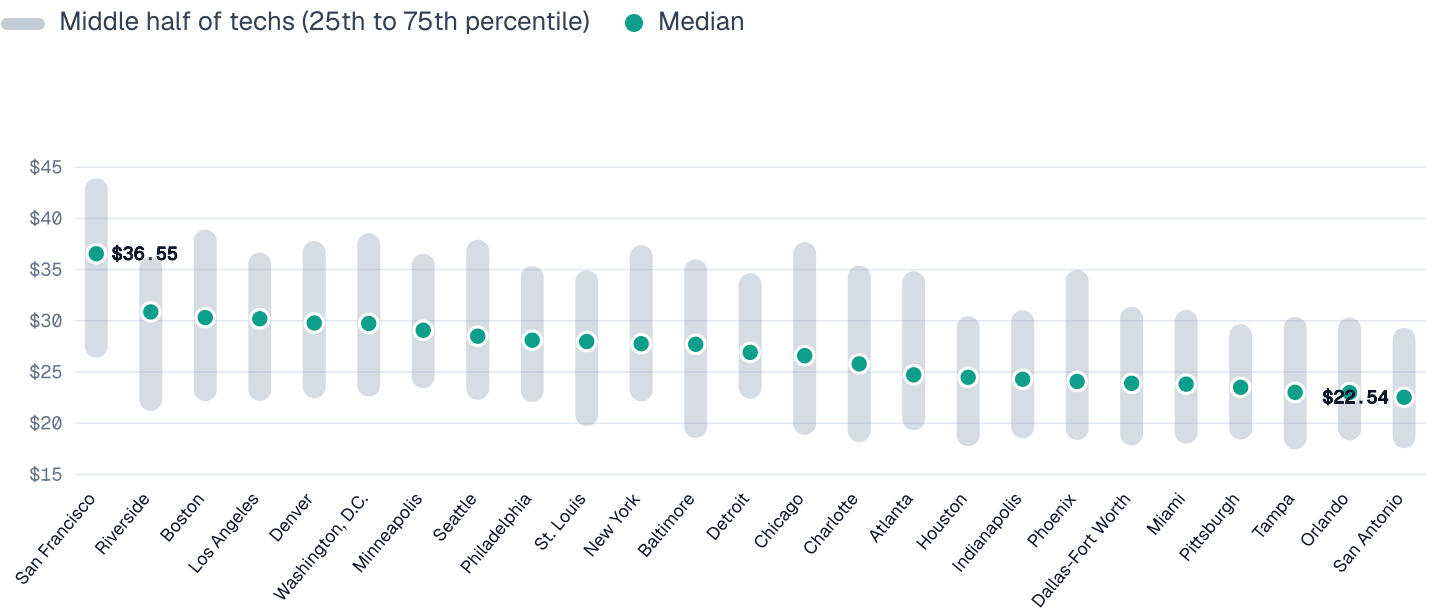
**What it means for your bays:** build your inspections around the 70,000 to 81,000 mile window, and decide now whether ADAS calibration is work you want in two or three years.

# Median technician pay ranges from \$22.54 to \$36.55 an hour across the 25 largest metros

Inside a single metro, a tech at the 75th percentile earns \$11 to \$19 an hour more than one at the 25th. San Antonio has the lowest median of the 25 metros and San Francisco the highest.



Hourly pay for automotive service technicians, 25 largest metro areas



Source: Bureau of Labor Statistics, Occupational Employment and Wage Statistics, May 2025, SOC 49-3023. Sorted by median wage. Hover for employment. Your metro not here? It goes in the trade-area report.

**What it means for hiring:** the spread inside one metro is wider than the spread between most metros. Know where your B-techs sit in your local range before a competitor tells them.

# Operating margins at public auto service chains range from 1.7% to 22.8%

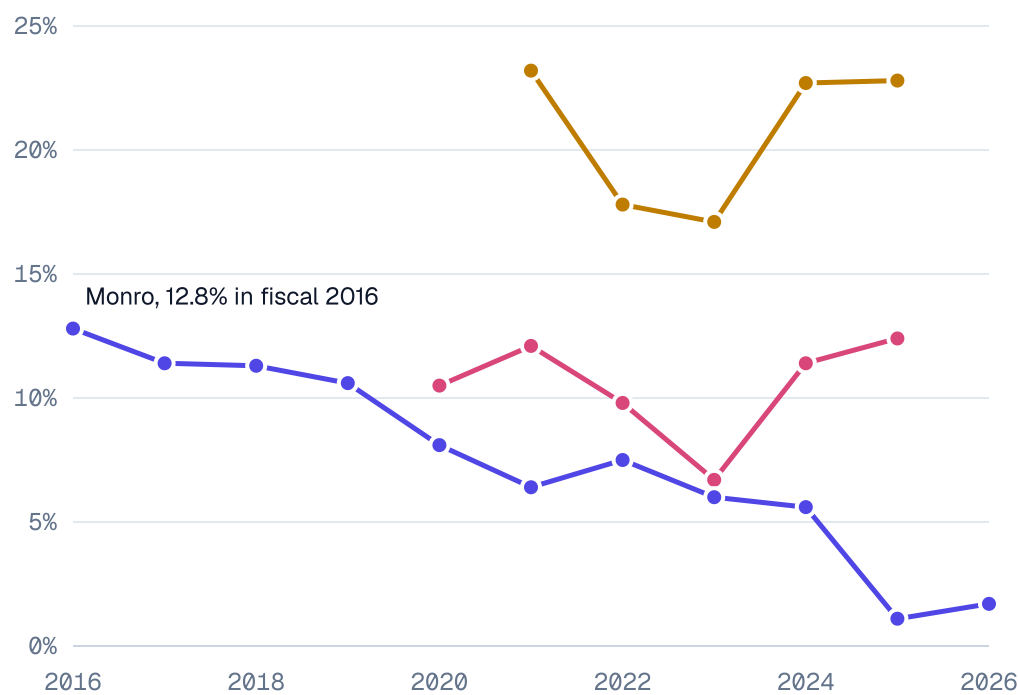
Three public chains sell to the same drivers in the same economy. Their results have split.

Valvoline runs a narrow menu of fast, simple service and earns a 22.8% operating margin. Driven Brands earns 12.4%. Monro, a full-service chain, fell from 12.8% in fiscal 2016 to 1.7% in fiscal 2026, and its revenue has dropped four years running.

Part of that gap is franchise royalties, which carry higher margins than running bays. Treat these numbers as context, not a benchmark for your shop.

## Operating margin, public auto-service chains

Fiscal years, from annual 10-K filings



Source: SEC EDGAR XBRL financials. Valvoline shown from fiscal 2021, after it began reporting as a retail services company. Fiscal years end in March (Monro), September (Valvoline) and December (Driven Brands).

This is a national and state picture. Public data can't show how much of your trade area's work your stores get.

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### **Repair prices have outrun repair pay every month since January 2025**

Customers are stretched. Before raising your effective labor rate in January, compare approval rates by store, not only ARO.

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BLS CPI and Current Employment Statistics, August 2026

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### **Tech pay at the 75th percentile runs \$11 to \$19 an hour above the 25th**

Check your B-tech pay against the local median and the 75th percentile before choosing between a sign-on bonus and a raise for everyone.

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BLS Occupational Employment and Wage Statistics, May 2025

### **Late auto-loan balances hit 5.6% in the first quarter of 2026**

Follow up on declined safety and maintenance work on a fixed schedule, and decide whether counter financing belongs in your process.

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New York Fed Household Debt and Credit Report, Q2 2026

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### **Vehicles per auto service business vary almost 2x from state to state**

The spread is wider across ZIP codes. Check whether a weak store sits in a crowded trade area before you buy another one.

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Census County Business Patterns 2023 and ACS 5-year

# Vehicles per auto service business and late auto loans by state

| State          | Service businesses | Household vehicles | Vehicles per business | Late auto loans, Q4 2025 | Change since Q4 2019 |
|----------------|--------------------|--------------------|-----------------------|--------------------------|----------------------|
| Alabama        | 2,034              | 3,906,894          | 1,921                 | 6.55%                    | -0.04 pts            |
| Alaska         | 344                | 494,453            | 1,437                 | 2.94%                    | +0.41 pts            |
| Arizona        | 3,264              | 5,344,732          | 1,637                 | 5.56%                    | +0.34 pts            |
| Arkansas       | 1,295              | 2,246,525          | 1,735                 | 5.61%                    | +0.14 pts            |
| California     | 19,422             | 26,372,657         | 1,358                 | 4.84%                    | -0.05 pts            |
| Colorado       | 3,298              | 4,650,256          | 1,410                 | 4.01%                    | +0.60 pts            |
| Connecticut    | 1,625              | 2,551,767          | 1,570                 | 3.06%                    | -0.08 pts            |
| Delaware       | 412                | 740,871            | 1,798                 | 6.12%                    | +0.61 pts            |
| Florida        | 10,855             | 15,083,612         | 1,390                 | 5.53%                    | -0.29 pts            |
| Georgia        | 4,771              | 7,746,271          | 1,624                 | 6.99%                    | +0.67 pts            |
| Hawaii         | 468                | 932,684            | 1,993                 | 3.67%                    | -0.42 pts            |
| Idaho          | 1,093              | 1,557,992          | 1,425                 | 3.27%                    | +0.39 pts            |
| Illinois       | 7,011              | 8,431,374          | 1,203                 | 5.59%                    | +1.08 pts            |
| Indiana        | 3,371              | 5,132,334          | 1,522                 | 6.26%                    | +1.06 pts            |
| Iowa           | 1,701              | 2,586,423          | 1,521                 | 3.53%                    | +0.64 pts            |
| Kansas         | 1,405              | 2,320,842          | 1,652                 | 4.04%                    | +0.64 pts            |
| Kentucky       | 1,711              | 3,361,758          | 1,965                 | 4.92%                    | -0.08 pts            |
| Louisiana      | 1,835              | 3,042,848          | 1,658                 | 6.55%                    | -0.39 pts            |
| Maine          | 764                | 1,067,826          | 1,398                 | 3.09%                    | -0.05 pts            |
| Maryland       | 2,791              | 4,219,534          | 1,512                 | 6.00%                    | +0.89 pts            |
| Massachusetts  | 3,640              | 4,550,921          | 1,250                 | 2.59%                    | -0.20 pts            |
| Michigan       | 5,462              | 7,311,844          | 1,339                 | 6.25%                    | +0.91 pts            |
| Minnesota      | 2,925              | 4,362,292          | 1,491                 | 3.03%                    | +0.77 pts            |
| Mississippi    | 1,171              | 2,184,216          | 1,865                 | 7.68%                    | +0.19 pts            |
| Missouri       | 3,283              | 4,651,387          | 1,417                 | 5.55%                    | +0.76 pts            |
| Montana        | 833                | 964,514            | 1,158                 | 4.02%                    | +0.05 pts            |
| Nebraska       | 1,213              | 1,579,772          | 1,302                 | 3.25%                    | +0.44 pts            |
| Nevada         | 1,469              | 2,204,991          | 1,501                 | 6.16%                    | +0.33 pts            |
| New Hampshire  | 967                | 1,052,874          | 1,089                 | 3.02%                    | +0.13 pts            |
| New Jersey     | 4,455              | 5,889,398          | 1,322                 | 4.23%                    | +0.29 pts            |
| New Mexico     | 995                | 1,588,882          | 1,597                 | 6.07%                    | -0.29 pts            |
| New York       | 8,660              | 9,491,492          | 1,096                 | 4.27%                    | +0.18 pts            |
| North Carolina | 5,018              | 8,334,303          | 1,661                 | 6.06%                    | +0.35 pts            |
| North Dakota   | 481                | 642,454            | 1,336                 | 2.92%                    | +0.06 pts            |
| Ohio           | 5,040              | 8,810,302          | 1,748                 | 5.34%                    | +0.78 pts            |
| Oklahoma       | 1,769              | 2,991,985          | 1,691                 | 5.48%                    | -0.12 pts            |
| Oregon         | 2,128              | 3,255,618          | 1,530                 | 3.59%                    | +0.98 pts            |
| Pennsylvania   | 6,914              | 8,950,240          | 1,295                 | 4.79%                    | +0.42 pts            |
| Rhode Island   | 640                | 750,423            | 1,173                 | 3.54%                    | +0.44 pts            |
| South Carolina | 2,254              | 4,016,564          | 1,782                 | 6.18%                    | -0.22 pts            |
| South Dakota   | 665                | 749,419            | 1,127                 | 3.65%                    | +0.23 pts            |
| Tennessee      | 2,755              | 5,555,622          | 2,017                 | 5.69%                    | +0.86 pts            |
| Texas          | 13,316             | 20,613,912         | 1,548                 | 5.76%                    | -0.07 pts            |
| Utah           | 1,760              | 2,469,576          | 1,403                 | 2.95%                    | +0.38 pts            |
| Vermont        | 387                | 473,039            | 1,222                 | 2.84%                    | -0.37 pts            |
| Virginia       | 4,117              | 6,476,170          | 1,573                 | 4.64%                    | +0.71 pts            |
| Washington     | 3,414              | 5,969,559          | 1,749                 | 3.78%                    | +1.22 pts            |
| West Virginia  | 611                | 1,220,225          | 1,997                 | 5.27%                    | -0.14 pts            |
| Wisconsin      | 2,939              | 4,572,551          | 1,556                 | 3.64%                    | +0.93 pts            |
| Wyoming        | 437                | 505,733            | 1,157                 | 3.49%                    | -0.24 pts            |
| U.S.           | 159,188            | 233,981,931        | 1,470                 | 5.18%                    | +0.31 pts            |

Sources: Census County Business Patterns 2023 and ACS 5-year, rolled up from ZIP codes; New York Fed state auto delinquency, Q4 2019 and Q4 2025.

## All figures come from public government data and public-company filings

Cardinal Element pulled and joined them. No client data is used.

|                           |                                                                                                                                                                                                                                                                                                                   |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Prices and pay            | BLS Consumer Price Index (not seasonally adjusted): motor vehicle maintenance and repair, parts and equipment, all items. BLS Current Employment Statistics for NAICS 8111: all-employee average hourly earnings and employment. Hourly earnings cover everyone in the industry, not only technicians.            |
| Technician wages by metro | BLS Occupational Employment and Wage Statistics, May 2025, SOC 49-3023.                                                                                                                                                                                                                                           |
| Driving and fuel          | FHWA vehicle miles traveled and EIA regular gasoline prices, via FRED.                                                                                                                                                                                                                                            |
| Household credit          | Federal Reserve Bank of New York Household Debt and Credit Report, Q2 2026; state auto delinquency, Q4 each year through 2025.                                                                                                                                                                                    |
| Shops and vehicles        | Census County Business Patterns 2023 by ZIP code, joined to American Community Survey 5-year household vehicle counts. Business counts cover all of NAICS 8111, which includes car washes, glass and lube shops as well as general repair and body shops. Vehicle counts are household vehicles only, not fleets. |
| Failures                  | NHTSA owner complaints received in 2025 and 2026. Complaints are owner reports, not verified defects, and skew toward newer vehicles and safety systems.                                                                                                                                                          |
| Fleet age                 | S&P Global Mobility, vehicles in operation as of Jan. 1, 2025 (published May 2025).                                                                                                                                                                                                                               |
| Public chains             | SEC EDGAR 10-K XBRL financials for Monro (MNRO), Driven Brands (DRVN) and Valvoline (VVV).                                                                                                                                                                                                                        |