

Virginia Auto Law

Cash for Clunkers Was Shot in the Arm

By: Bill Lehner. *This was posted Thursday, November 19th, 2009*

Despite all the carping by media and politicians of both stripes, our clients affirm that [Cash For Clunkers](#) was a qualified success, in that it provided a needed shot in the arm for the entire industry.

Although there was an anticipated drop off after the conclusion of the program, it did allow for needed cash flow, and depletion of inventory. The sell off of inventory allowed the factories to fire up, again, putting more prospective buyers back to work.

The drop off in sales at the conclusion of C4C was due, in part, they tell us, to the perception that the “same “deals” were not available, and that there was limited selection of vehicles left at the dealerships.

However, dealer clients report that it took only a month or so to get fresh vehicles back on the lot and, further, that many of the C4C buyers were folks the dealers had never seen before— many likely first time new car buyers.

The deals are plentiful again, and so is the automobile inventory. The lingering concern is over consumer economics, including jobs and funding for the new car purchasers, which have not returned to the necessary levels to fuel the recovery.

Do you see any signs that the recent sales levels in the car business are a possible light at the end of the economic tunnel?

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