

Vehicle Sales Rose Modestly in November, With All of the Gain Coming from Light Trucks

- Total auto sales climbed 1.5% month-on-month to an annualized pace of 16.5 million in November – the highest level since May 2021.
- Light truck sales rose 2.5% on the month; auto sales fell 2.6%.
- The moderate monthly increase drove the year-ago growth rate up to 6.7%, the strongest since December 2023.
- Lower interest rates will improve affordability, but slower job and wage growth and the possibility of tariffs will weigh on auto sales next year.

Total auto sales, including autos and light trucks, rose 1.5% to a seasonally-adjusted annualized pace of 16.5 million units in November, from 16.3 million in October. This was the strongest pace of sales since mid-2021, as the economy was rebounding after the pandemic. The increase was solely due to a 2.5% upturn in light trucks to an annualized 13.5 million – the highest level since April 2021. Auto sales fell 2.6% to 2.96 million units following an unchanged reading in October. The modest monthly increase pushed year-ago growth up to 6.7% from 5.9% in October. Light trucks led the way with strong annual growth of 9.8% – up from 7.2% in October and the strongest pace of growth since December 2023. Auto sales slumped 5.4% year-over-year after rising 0.5% in October. Auto sales have been stuck between 2.6 million and 3.3 million for more than three years.

Despite the increase in November, total auto sales have been below 17.0 million for 42 consecutive months. Nonetheless, an increase in vehicle sales in November of election years is not the norm. Indeed, the last time vehicles sales rose in November of an election year was 2012 and the last time before that was 1996. The anomaly suggests that consumers may have purchased more vehicles last month to get ahead of possible tariffs on imported vehicles from the incoming Trump administration.

While lower interest rates – PNC expects the FOMC to lower the fed funds rate by 25 basis points later this month, with additional rate cuts in 2025 – will improve vehicle affordability, slower job and wage growth and potentially higher vehicle prices due to the implementation of tariffs will weigh on auto sales next year.

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